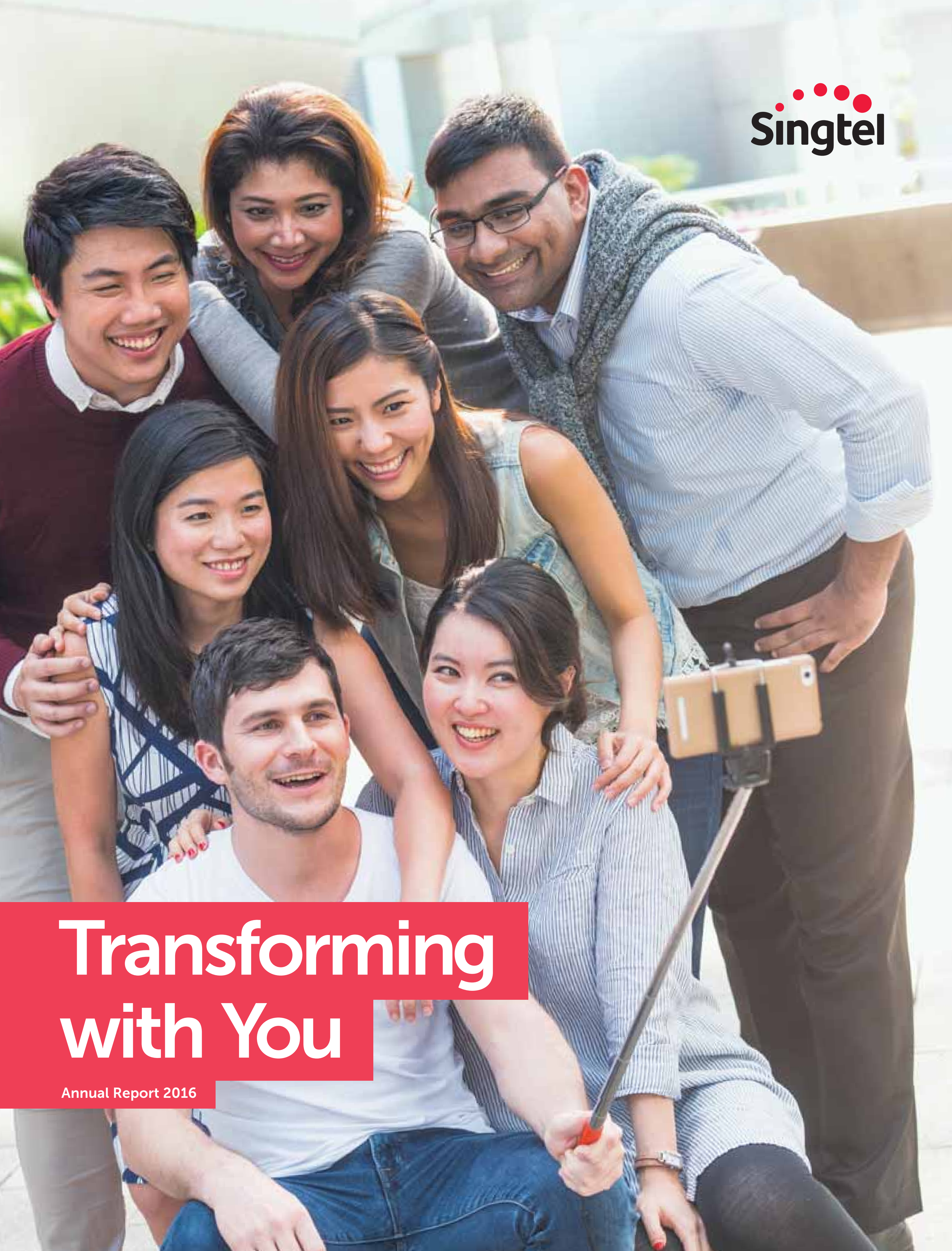


Singtel

Transforming with You

Annual Report 2016

137 Years of Transforming with You

"Beep beep"

1879
It all began when a trial connection was made between Raffles Square and Tanjong Pagar using a telegraph line.

1955
The Singapore Telephone Board (STB) was established as a statutory board to provide local telephone services.

1962
Subscriber Trunk Dialling was introduced, enabling calls between Singapore and Kuala Lumpur to be made without an operator.

hELLO

1998
We launched Singapore's first satellite, ST-1, into space.

1997
Singapore's mobile market was liberalised to spur competition.

We acquired NCS to provide seamless, end-to-end telecommunications and IT services.

1994
Our internet arm – SingNet was launched to connect Singaporeans to the World Wide Web.

1993
We made our debut on the Singapore Stock Exchange and our first overseas investment by acquiring a stake in Globe.

1999
We acquired an initial stake in AIS.

2000
Singapore's telecoms market was fully liberalised.

We acquired an initial stake in Airtel.

2001
We acquired Optus, our largest overseas acquisition, as well as an initial stake in Telkomsel.

2007
We ventured into the cable television business with mio TV, offering quality entertainment to Singaporeans.

1965

The Singapore Telecommunication Department (STD) took over the provision of telecommunications services after Singapore's independence.

STB and STD looked after domestic and international telephone services respectively.

1971

We built Singapore's first satellite earth station on Sentosa island to connect Singaporeans to the world.

1972

STD became known as the Telecommunication Authority of Singapore (TAS) after a re-organisation.

1973

Paging services were launched to instant success.

1974

STB merged with TAS to form Telecoms.

1988

We rolled out Singapore's first mobile network.

1992

We changed from a statutory board to a corporate company known as SingTel.

2008

We became the first mobile operator to provide high-speed 3G networks in Singapore.

2012

We embarked on a digital transformation to strengthen our overall business performance.

We also acquired global digital marketing firm Amobee to capture growth in the mobile advertising space.

We launched Singapore's first 4G service.

2015

We acquired cyber security firm Trustwave to strengthen our global cyber security capabilities.

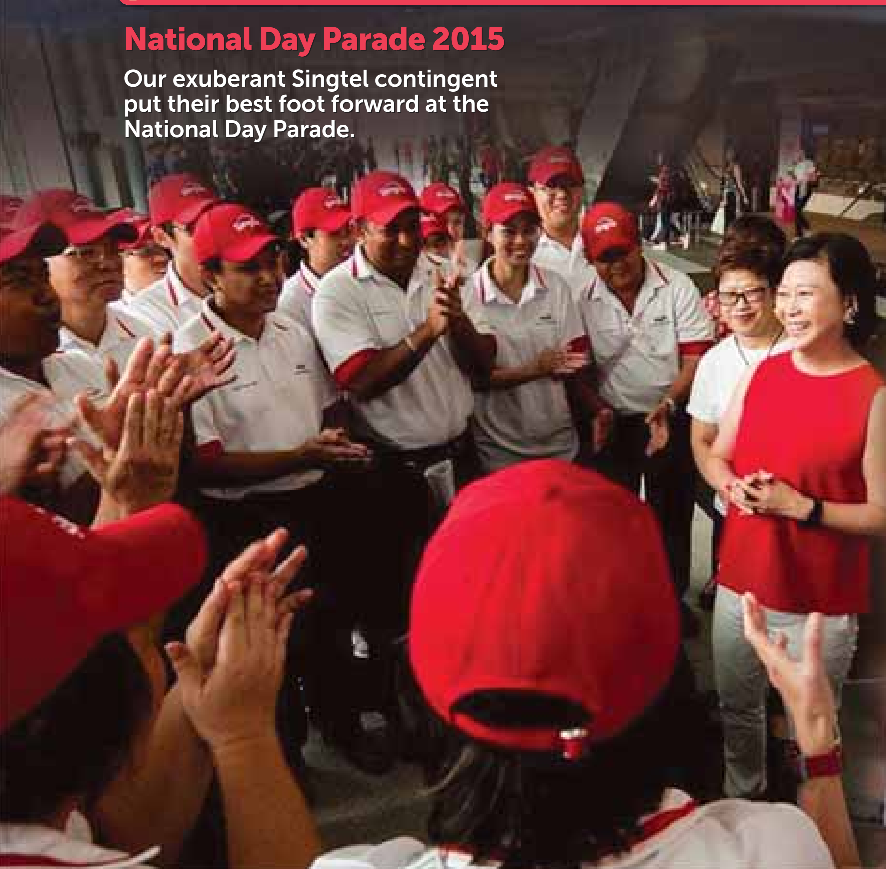
We celebrated Singapore's Golden Jubilee amid much fanfare.

Celebrating Singapore's Golden Jubilee

2015 was a special year for Singapore, as the nation celebrated a much-anticipated coming of age. As a home-grown company, Singtel is proud to have played a vital role in helping Singapore become a world-class telecommunications hub. We supported a host of nation-building activities to commemorate this joyous occasion.

National Day Parade 2015

Our exuberant Singtel contingent put their best foot forward at the National Day Parade.



99%SME Campaign

We launched a nationwide campaign to rally consumers to use products and services by SMEs.

Developing the Arts Scene

We contributed S$20 million to the National Gallery Singapore to raise the profile of Southeast Asian art, furthering Singapore's ambition to be a global arts hub.

Supporting the SEA Games

We were the key multimedia sponsor of the Games, providing over S$15 million in communications solutions and rallying the nation to cheer for Team Singapore!

Singtel Carnival

1,500 Singtel staff put together a day of fun for our Singtel Touching Lives Fund beneficiaries and children from special education schools in Singapore.

Opening Singtel Enabling Innovation Centre

We donated S$1.99 million to enhance the employability of persons with disabilities and help them lead more independent lives.

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Financial Highlights

OPERATING REVENUE [1]

2016	S$16,961M
2015	S$17,223M

2%

EBITDA

2016	S$5,013M
2015	S$5,091M

2%

NET PROFIT

2016	S$3,871M
2015	S$3,782M

2%

UNDERLYING NET PROFIT

2016	S$3,805M
2015	S$3,779M

1%

FREE CASH FLOW [2]

2016	S$2,718M
2015	S$3,549M

23%

DIVIDEND PER SHARE

2016	S¢17.5
2015	S¢17.5

Stable

RETURN ON EQUITY

2016	15.6%
2015	15.6%

Stable

RETURN ON INVESTED CAPITAL

2016	11.7%
2015	12.1%

0.4 percentage point

Constant Currency [3]

NET PROFIT

2016	S$3,990M
2015	S$3,782M

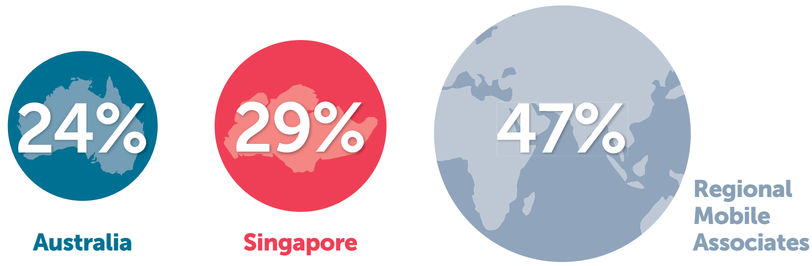
6%

UNDERLYING NET PROFIT

2016	S$3,929M
2015	S$3,779M

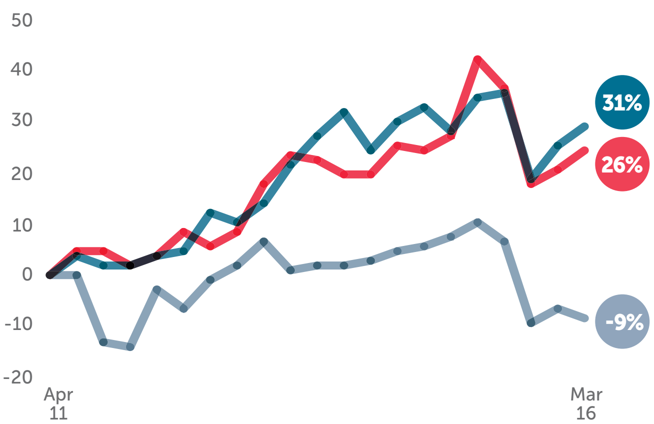
4%

NET PROFIT
– Contribution by Geography



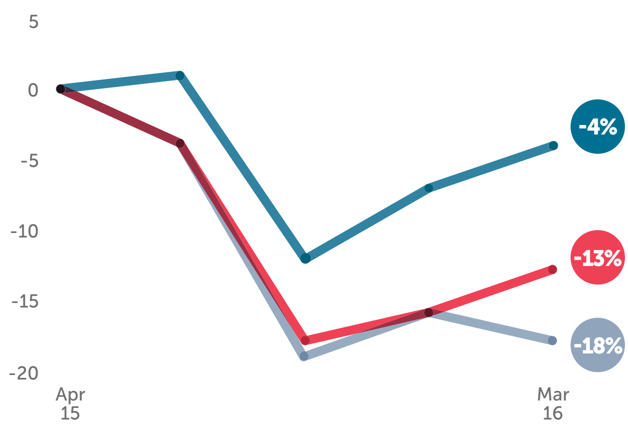
SHARE PRICE CHANGES

5-year



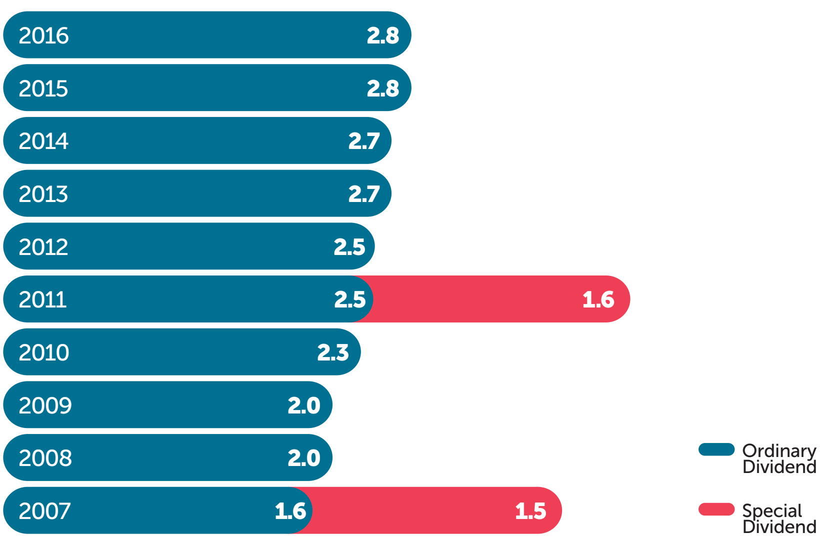
Singtel	MSCI APAC Telco Index [4]	Straits Times Index
26%	31%	-9%

1-year



Singtel	MSCI APAC Telco Index [4]	Straits Times Index
-13%	-4%	-18%

SHAREHOLDER PAYOUT
(S$ billion)



Singtel has a track record of generous shareholder returns.

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

For the financial year ended 31 March 2016, the Board has recommended a final ordinary dividend of 10.7 Singapore cents a share. Together with the interim dividend of 6.8 Singapore cents, the total ordinary dividends for the year is 17.5 Singapore cents, unchanged from the previous year. It also represents 73% of the Group's underlying net profit.

Notes:

(1) Impacted by the regulated reduction in Australian mobile termination rates from 1 January 2016, and a 9% decline in the Australian dollar. Excluding these factors, operating revenue would be up 5%.

(2) Decrease is mainly due to mobile customer acquisitions and retentions in Australia, and receipts last year from fibre rollout completion. Concurrently, the Australian dollar and Indonesian rupiah fell significantly.

(3) Assuming constant exchange rates from FY 2015.

(4) MSCI Asia Pacific Telecommunications Index.

Chairman's Message

Dear Shareholders,

Four years ago, we embarked on a journey to transform ourselves into a communications company operating in a data-centric digital world. The reason was simple – the mobile internet revolution was taking hold, threatening traditional revenue streams from voice and SMS. We saw that to stay relevant, we had to put data at the centre of our business and transform our telecoms network into high-speed data networks so that we could capture and monetise this growing demand for mobile data. As we take stock of the progress we've made, we have protected our revenues while creating a new set of opportunities around our data assets. Our FY 2016 results bear this out. Our net profit for the year was up 2% to S$3.87 billion but would have grown 6% in constant currency terms.

We continue to deliver strong earnings as our core businesses performed well. This is despite regional currency weakness and the costs of investing in the new enterprise services of cloud, cyber security as well as our digital businesses.

TRANSFORMING OUR CORE MOBILE BUSINESS

The steps we've taken to transform our core telecoms business are increasingly paying off as consumers continue to shift from voice to data. Data revenues from Singapore and Australia have grown significantly as we've made further investments in network, technology and spectrum, and restructured our price plans to meet the increasing need for quality mobile internet at affordable prices. We are among the leaders globally in making this successful shift.

The other piece of good news – the mobile internet revolution is only just beginning in the emerging markets where prices of smart phones and devices are getting more affordable for a growing middle class. This puts us in an enviable position as we have a strong presence across Indonesia, the Philippines, Thailand, India and Africa, where our regional mobile associates operate. Previously priced out of the mobile data revolution, these developing markets are now making their respective transitions from mobile telephony to mobile internet, moving up the ladder from 3G to 4G, just as we have. With insights and lessons from our own transformation, we are well-placed to help steer our associates through this exciting move to a digital world.

"Consumer habits are still evolving alongside the rapidly merging telecoms and internet space. The need for people and businesses to be connected is stronger than ever, which means more demand for seamless connectivity and data services."

A BOOST FOR ICT SERVICES

This new data paradigm presents opportunities for our ICT business. Our assets and capabilities have us well-positioned to capitalise on the shifts to cloud computing, enterprise mobility and smart city initiatives as public agencies and businesses look to exploit mobile capabilities to spur growth.

Cyber security has emerged as a critical issue for governments and businesses. As cyber threats grow in frequency and sophistication, company boards and managements are waking up to the urgent reality that their firms are not adequately protected against these threats and the associated reputational, business risks and costs. In this high-growth emerging market, our ambition is to build out a global business to be among the leaders in this space. Our acquisition of Trustwave last September brings with it a global customer base that we intend to build on and expand.

BUILDING OUT DIGITAL

Since beginning our transformation journey, we have refined our digital strategy to focus on three main areas: digital marketing, OTT video and data analytics where our telecom assets give us competitive advantage.

Amobee is our global digital marketing business that we continue to invest in as we build global scale. Voted the Most Innovative Tech Company, as well as Company of the Year, at the 2016 American Business Awards, Amobee's Brand Intelligence platform analyses and correlates more than 60 billion content engagements daily across the web, social media, video and mobile, helping businesses optimise their media strategies to improve brand awareness and engagement rates.

Our other businesses will take time to scale and mature. Our mobile streaming service, HOOQ, can now be found in India, Indonesia, the Philippines and Thailand, allowing us to tap into the growing demand for online entertainment in emerging markets as smartphone adoption rises. Our geoanalytics initiative, DataSpark, is securing more public contracts as agencies deploy its technology to optimise the planning of urban spaces and transport networks.

THE TRANSFORMATION CONTINUES

Transformation is a journey in which new opportunities emerge. Consumer habits are still evolving alongside the rapidly merging telecoms and internet space. The need for people and businesses to be connected is stronger than ever, which means more demand for seamless connectivity and data services. In short, the same motivations that set us on this path at the outset – reshaping the business to meet customers' evolving needs – are as strong, if not stronger today. So far, we have managed to deepen our customer engagement to compete in the new digital economy while maintaining our lead in the core telecoms business. We intend to continue delivering on both those counts going forward.

I would like to thank our directors, management and staff for their commitment to this transformation and also our many partners and stakeholders for their confidence in Singtel.

Our Board and management are committed to the highest standards of corporate governance and sustainable long-term value creation.

Yours sincerely,

Simon Israel
Chairman

GCEO Review

> **"Our Group results were strongly bolstered by our geographical diversification across Asia's fastest growing economies. Together with our regional mobile associates, all leading players in their respective markets, we reach over 600 million mobile subscribers across the region."**

STAYING RESILIENT AMID TRANSFORMATION

Most people shun change. It's uncomfortable and requires serious effort and commitment. For us at Singtel, change has been an unwavering principle over the last four years. As the advent of the digital economy brought with it an explosion in data usage, we didn't just keep up with the times but strived instead to stay ahead of the curve. To do this, we had to pay fresh heed to the changing needs and wants of our customers. For the past four years, we have been driving a transformation across all our businesses as customer habits in communication and media consumption radically altered and companies too, adjusted how they operated. At the close of the 2016 financial year, I'm pleased to report that our business has stayed resilient in the face of this transformation.

Our net profit for FY 2016 was up 2% to S$3.87 billion and would have been up 6% on a constant currency basis. These results have been achieved despite our continuous investments in network and spectrum, crucial for network capacity and speed, and losses from digital and cyber security ventures as we scale these businesses. In terms of Total Returns to Shareholders, we have been disciplined with our dividend payout and outperformed the STI index over the past four years. All this bears testimony to our restructuring efforts, our focus on execution and our financial strength.

DIFFERENTIATING OUR CORE CONSUMER BUSINESS

Our core consumer businesses in Singapore and Australia performed well in FY 2016 with Singtel extending its overall revenue market leadership by differentiating our products and services. Having made substantial network investments over the years to provide the foundation of superior 4G coverage across both markets, our priority was to come up with innovative products and services that would create customer loyalty.

A host of flexible data plans, marquee content and bundled offers was rolled out to woo customers with increasingly data-centric lifestyles and more demands for video entertainment on the go. Standalone data plans, value-for-money double data add-ons and 10Gbps options for heavy data users were introduced much to the delight of customers. Zero-rated music streaming services were a hit with the music fans. Both Optus and Singtel also struck significant partnerships and offered a range of exciting sports and entertainment content, including the English Premier League, Cricket Australia and Netflix.

This differentiated approach saw Optus retain and win more subscribers, repositioning it as more than just a mobile company in the eyes of the customer. In Singapore, the strategy mitigated declines in voice and pricing pressures, helping the business defend its turf.

DIVERSIFICATION KEEPS US STRONG

Our Group results were strongly bolstered by our geographical diversification across Asia's fastest growing economies. Together with our regional mobile associates, all leading players in their respective markets, we reach over 600 million mobile subscribers across the region. Our associates put in another strong showing in 2016, also thanks to substantial growth in mobile data. As their increasingly affluent populations upgraded to more affordable smart devices, spurring mobile

internet usage, our associates began to harness the benefits of extensive investments in 3G and 4G networks and services.

Telkomsel was the standout performer, with pre-tax earnings for the year jumping 15% to S$1.1 billion on the back of increased voice and data usage. They also saw a significant increase in 3G and 4G subscribers who now make up 42% of its total customer base. In Thailand, AIS continued with its migration of 2G customers to 3G or 4G networks, against an accelerated network rollout with the 1800MHz spectrum acquired last year. Airtel has secured pan-Indian spectrum for its 4G services, which allows it to provide seamless data services across the country. Globe in the Philippines continues to take share, thanks to increased network investment and innovative offerings.

Having made our own earlier transition from mobile telephony to mobile internet, the Group continues to work with our associates to navigate and monetise this shift from voice to data. We remain confident that emerging market growth and increased digital adoption will continue to see our associates contribute positively to our Group.

NEW GROWTH ON THE ENTERPRISE HORIZON

Our Group Enterprise business proved robust for the year despite slower economic growth and more cautious business spending. Our new ICT businesses in cloud and cyber security gave us that extra edge, helping us maintain our leadership in Singapore while strengthening our position in the Asia Pacific region.

Cloud revenues grew as businesses and organisations moved rapidly from legacy on-premise IT systems to flexible cloud-based storage to manage costs and drive productivity. We were well-positioned to capture this shift, having invested in a suite of cloud migration and delivery capabilities over the past two years.

Besides having to host and manage these services, we also had to secure them. This is where our investments in cyber security are also starting to pay off, supported by our ability to monitor traffic flows through our networks, and our trusted relationships with existing enterprise customers. In September 2015, we made a strategic move in acquiring Trustwave, a leading independent cyber security player with business in the US and around the world. A key priority for us this year is to leverage this Trustwave acquisition to create a global platform that can provide managed security services – 24/7.

Our move into Smart Nation solutions also made headway. This year, we secured a significant contract from the Singapore government to build the Land Transport Authority's next-generation Electronic Road Pricing or ERP project. Leading a consortium, we will build a system that will harness satellite tracking and our 4G network to collect and disseminate real-time traffic information. This will be the first time in the world that these capabilities will be implemented nationwide in an urban environment.

As Singapore moves towards becoming a Smart Nation, the majority of our customers are already on fibre broadband, enjoying ultra-high speeds and more competitive pricing levels. We have, in past years, enabled this nationwide fibre rollout through NetLink Trust, which owns our passive fibre infrastructure but operates as an independently managed business trust. This nationwide fibre network which now passes all homes in Singapore forms the backbone of the Singapore government's Smart Nation initiative. For regulatory reasons, we will progress plans to divest our stake in NetLink Trust to less than 25% by April 2018.

REFINING OUR DIGITAL STRATEGIES

Over the past four years, we have refined our digital strategy to focus on areas that contribute back to our core business and best leverage our telecom assets: digital marketing, OTT video and data analytics.

Amobee, our global digital marketing business, recorded strong growth in FY 2016 as it gained further traction among brands looking to increase the efficiency and effectiveness of their advertising spend across new and multiple media platforms, be it social, mobile, video or email.

HOOQ, our OTT video joint venture with Sony Pictures Television and Warner Bros. Entertainment, is now available across Asia's most populous countries: India, Indonesia, the Philippines and Thailand, steadily adding more video streaming subscribers.

DataSpark, our advanced analytics start-up, is scoring more contracts from both public and private sector companies, which are using anonymised and aggregated telco data to gain insights that sharpen their business and operations planning.

While the results so far have been encouraging, it will be some time before all these businesses can ramp up to global scale and contribute meaningfully to our bottom line. We will continually review the progress of these investments.

Meanwhile, Singtel Innov8, our corporate venture fund, will continue to identify the latest innovations, products and technologies – giving the Group first dibs into monetisable new businesses that will augment our core business or further build on our digital strategy.

STRENGTHENING OUR TEAM

Our people are the foundation of our success. And I truly believe we have the right people and leadership with the necessary instincts for collaborating and innovating our way forward. Even so, we continue to develop the right talent and capabilities to help grow our company.

We have put in place long-term initiatives to attract and develop necessary talent in cyber security, cloud and analytics, having identified these as new growth areas for the business. Our employee engagement score for FY 2016 has improved further, and is quickly closing the gap with the benchmarks for top Global High Performing Companies. We have an energised team, excited about our future, and ready and willing to drive our necessary transformations.

CONTRIBUTING TO OUR COMMUNITIES

Our operations touch millions of lives in the region and it is important for us to give

"It's not been business as usual at Singtel given the plethora of technological and business disruptions thrown our way by the digital economy. But we have learned much about how to handle continuous change while maintaining a strong financial performance."

back to the communities that support us and our businesses. Our CSR activities focus on safeguarding the well-being of internet users, particularly vulnerable children and youth, as well as helping persons with disabilities find gainful employment by providing the necessary training in new technologies.

We have a strong volunteerism programme across both Singapore and Australia. In Optus, this centres on mentoring youth through the Australian Business and Community Network. In Singapore, we are heartened to see a 15% increase in the number of volunteering hours committed by staff. This, as we mark the 15th anniversary of our corporate philanthropy programme, the Singtel Touching Lives Fund. Since we started, we have raised over S$33 million to help children and young people with special needs. We are celebrating this important milestone with our staff, and encouraging more of them to get involved in our future initiatives.

WINNING IN A DIGITAL WORLD

It's not been business as usual at Singtel given the plethora of technological and business disruptions thrown our way by the digital economy. But we have learned much about how to handle continuous change while maintaining a strong financial performance.

I would like to thank the Board for their guidance, and our management and staff who have applied the best of themselves to the job at hand, knowing that nothing worth having comes easy. To our partners, thank you for staying the course with us.

I'm confident that the changes we have made put us in a far stronger position today to evolve our large and complex business, to answer further challenges so that we can continue to create value for you, our shareholders.

Yours sincerely,

Chua Sock Koong
Group Chief Executive Officer

Who We Are

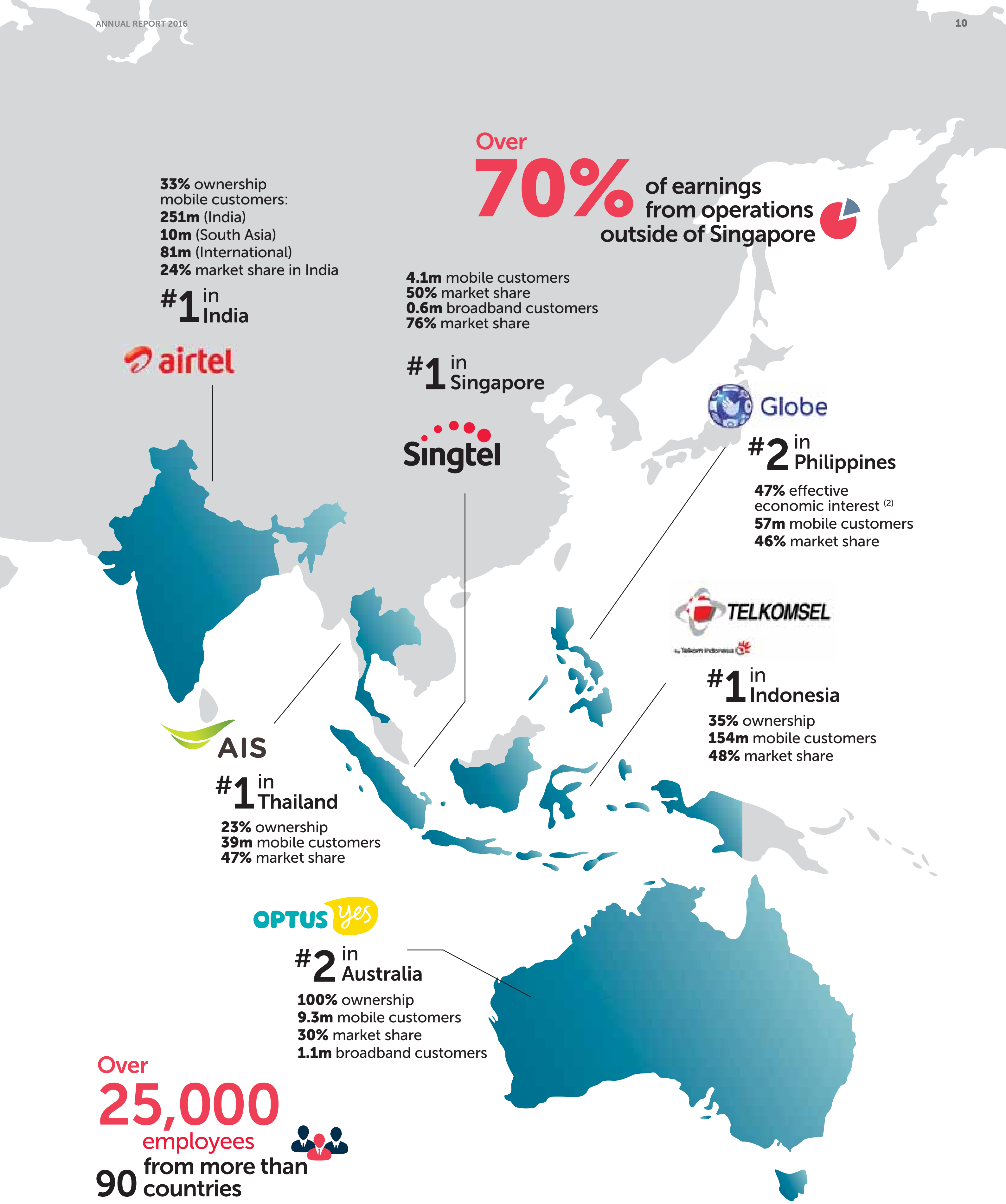
Singtel, as you know today, had its beginnings more than 130 years ago as Singapore's first and only telecommunications provider. Today, we have become much more than just that. Going beyond Singapore's shores decades ago, we have become a global communications company with an expanded presence in many cities worldwide – including Asia, Australia and Africa, deriving over three quarters of our revenue[(1)] from overseas. Together with our regional mobile associates, we now reach over 600 million customers, shaping how they communicate each day. Over time, we have evolved in tandem with the changing face of info-communications and now provide more than traditional telco services. We are also involved in emerging digital areas that suit the evolving needs of our consumers and businesses.

137 years
of operating experience

Over
600 million
mobile customers in **25 countries**

46 global offices
in **21** countries

Over **200** points of presence
in **160** cities
to serve enterprises



Notes:
(1) Proportionate revenue if regional mobile associates are consolidated based on Singtel's equity interests.
(2) Singtel has a 21.5% effective stake in Globe's voting shares.

The Value We Create

In the midst of disruptive change, Singtel not only focuses on connecting people and enabling businesses, but creating value for those who believe in what we do – from our customers to our investors to our people and the many societies in which we operate.

For Our Customers

Our **4G coverage** is the widest in Singapore at

99.9%

and covers

94%

of Australia's population

We are going big on cloud with

13 data centres

in Asia Pacific

We are growing our **global cyber security capability** with Trustwave®

We now have

12 Security Operations Centres

1,800 Cyber Security Professionals

Singtel Cyber Security Institute

We were named **Best Mobile Operator & Fibre Broadband Services Provider in Singapore** by Hardwarezone Tech

Regional Mobile Associates

We have invested

S$13b

over the last two years and another

S$8b

in FY 2016 to **build mobile data networks**

We serve

198m

mobile data users, a **21% increase** from the year before

For Our Investors

We paid

S$2,789m

in **dividends**

and

S$360m

in **interest payments** in FY 2016

5-year Total Shareholder Return (TSR)

Singtel	10.3%
MSCI Asia Pacific Telecommunications Index	9.5%
Straits Times Index	1.2%

Source: Bloomberg, 2011–2016

We were ranked

#1

ASEAN Corporate Governance Scorecard 2015

Governance and Transparency Index 2015

FinanceAsia Best Managed Company for Singapore 2015

For Our People

We invested
S$22m
to train staff in Singapore and Australia

and our staff clocked
683,000 learning hours

We support diversity

Over **25,000** employees of **more than 90** different nationalities

35% of our employees are female

1/3 of our Board of Directors are female

We are building a talent pipeline

54 students were supported under the **Singtel Cadet Scholarship Programme**

30 students are currently sponsored under the **Singtel Undergraduate Scholarship Programme**

199 graduates have been hired since 2008 as **Management Associates**

110 interns have been hired under the **Singtel SHINE Internship Programme**

For Our Society

We contributed
S$36m
in **community investment**

and
S$20m
to National Gallery Singapore

We spent
32,000
hours in **staff volunteering**

We were named as one of the
2016 WORLD'S MOST ETHICAL COMPANIES™ WWW.ETHISPHERE.COM
for the sixth year running by Ethisphere Institute

We helped raise SME productivity and innovation through ICT with our
99% SME campaign

We trained more than
100,000
students
in over
200
schools
to be savvy, responsible members of the online community through our digital citizenship programmes in Singapore and Australia

Board of Directors

SIMON ISRAEL

- Non-executive and non-independent Director
- Chairman, Singtel Board
- Chairman, Finance and Investment Committee
- Member, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Member, Optus Advisory Committee
- Date of Appointment: Director on 4 Jul 2003 and Chairman on 29 Jul 2011
- Last Re-elected: 26 Jul 2013
- Number of directorships in listed companies (including Singtel): 4

Mr Simon Israel, 63, is the Chairman of Singapore Post Limited and a Director of CapitaLand Limited, Fonterra Co-operative Group Limited and Stewardship Asia Centre Pte. Ltd. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy and Westpac's Asia Advisory Board. Simon is a former Chairman of Asia Pacific Breweries Limited.

Simon was an Executive Director and President of Temasek Holdings (Private) Limited before retiring on 1 July 2011. Prior to that, he was Chairman, Asia Pacific of the Danone Group. Simon also held various positions in Sara Lee Corporation before becoming President (Household & Personal Care), Asia Pacific.

Simon was conferred Knight in the Legion of Honour by the French government in 2007 and awarded the Public Service Medal at the Singapore National Day Awards 2011. He holds a Diploma in Business Studies from The University of the South Pacific.

CHUA SOCK KOONG

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

Ms Chua Sock Koong, 58, was appointed Group CEO on 1 April 2007. She has overall responsibility for the Group's businesses.

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

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

Sock Koong holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charterholder.

VENKY GANESAN

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

Mr Venkataraman (Venky) Ganesan, 43, is one of the Managing Partners of Menlo Ventures, a 39-year-old top-tier Silicon Valley venture capital firm. He focuses on investments in the consumer and enterprise sectors. Venky sits on the boards of several portfolio companies of Menlo Ventures, namely, Avi Networks, Inc., BitSight Technologies, Inc, Gild, Inc., Machine Zone, Inc., Rover, Inc., Takipi, Inc., Unravel Inc., UpCounsel Inc. and Waterline Data Science, Inc. He is also Chairman of the National Venture Capital Association and Board member of Amobee, Inc., a wholly-owned subsidiary of Singtel.

Prior to joining Menlo Ventures, Venky was a Managing Director at Globespan Capital Partners. Before Globespan, he was one of the founders of Trigo Technologies. He also worked at McKinsey & Company and Microsoft as a Program Manager. He is a former Director of Handle, Inc., Palo Alto Networks Inc, Strong View, Inc and Virident Systems (acquired by Western Digital Corporation).

Venky holds a Bachelor of Arts in Economics-Mathematics from Reed College and a Bachelor of Science in Engineering and Applied Science (Honours) from the California Institute of Technology in the US.

LOW CHECK KIAN

- Non-executive and Lead Independent Director
- Chairman, Corporate Governance and Nominations Committee
- Member, Finance and Investment Committee
- Date of Appointment: Director on 9 May 2011 and Lead Independent Director on 21 Jul 2015
- Last Re-elected: 25 Jul 2014
- Number of directorships in listed companies (including Singtel): 1

Mr Low Check Kian, 57, is a Director of Cluny Park Capital. He was previously one of the founding partners of NewSmith Capital Partners LLP (NewSmith), an independent partnership providing corporate finance advice and investment management services with its headquarters based in London. Prior to founding NewSmith, he was a Senior Vice President and Member of the Executive Management Committee of Merrill Lynch & Co and its Chairman for the Asia-Pacific region.

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

Check Kian holds a B. Sc (First Class Honours) and M. Sc in Economics from the London School of Economics. He was awarded the Allan Young Prize, Baxter-Edey Award and the Henry Luce Foundation Award during his time there.

Board of Directors

PETER MASON AM

- Non-executive and independent Director
- Chairman, Executive Resource and Compensation Committee
- Chairman, Optus Advisory Committee
- Date of Appointment: 21 Sep 2010
- Last Re-elected: 26 Jul 2013
- Number of directorships in listed companies (including Singtel): 2

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

Peter has more than 40 years' experience in investment banking, including JP Morgan and Schroders. He was the Chairman of AMP Limited and David Jones Limited.

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

CHRISTINA ONG

- Non-executive and independent Director
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Date of Appointment: 7 Apr 2014
- Last Re-elected: 25 Jul 2014
- Number of directorships in listed companies (including Singtel): 3

Mrs Christina Ong, 65, is a Partner of Allen & Gledhill LLP as well as Co-Head of its Financial Services Department. She is a Director of Oversea-Chinese Banking Corporation Limited, SIA Engineering Company Limited, Singapore Tourism Board and Trailblazer Foundation Ltd. She also sits on the boards of companies and entities which are owned by Allen & Gledhill LLP. She is a former Director of ST Asset Management Ltd.

Christina is a lawyer and she provides corporate and corporate regulatory and compliance advice, particularly to listed companies. Her areas of practice include banking and securities.

Christina holds a Bachelor of Laws (Second Upper Class Honours) from the University of Singapore. She is a member of the Law Society of Singapore and the International Bar Association.

PETER ONG

- **Non-executive and non-independent Director**
- **Member, Audit Committee**
- **Member, Risk Committee**
- **Date of Appointment: 1 Sep 2010**
- **Last Re-elected: 25 Jul 2014**
- **Number of directorships in listed companies (including Singtel): 1**

Mr Peter Ong, 54, is the Head of Singapore's Civil Service and Permanent Secretary (Strategy) in the Prime Minister's Office. He previously held the positions of Permanent Secretary in the Ministry of Finance, the National Security and Intelligence Co-ordination Secretariat, Ministry of Trade and Industry, Ministry of Transport and Ministry of Defence. Prior to that, he was an Executive Vice President of Temasek Holdings (Private) Limited.

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

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

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

TEO SWEE LIAN

- **Non-executive and independent Director**
- **Member, Audit Committee**
- **Member, Executive Resource and Compensation Committee**
- **Member, Risk Committee**
- **Date of Appointment: 13 Apr 2015**
- **Last Re-elected: 21 Jul 2015**
- **Number of directorships in listed companies (including Singtel): 2**

Ms Teo Swee Lian, 56, was Special Advisor in the Managing Director's Office at the Monetary Authority of Singapore (MAS) until she stepped down in early June 2015. Swee Lian is a non-executive and independent Director of AIA Group Ltd (AIA) and a member of AIA's Nomination Committee and Risk Committee. She is also a non-executive and independent Director of Avanda Investment Management Pte Ltd (Avanda), and is Chairman of Avanda's Audit and Risk Committee. She is also a member of the Singapore Exchange Diversity Action Committee.

Swee Lian was formerly the Deputy Managing Director in charge of Financial Supervision at the MAS. She oversaw macroeconomic surveillance, regulation and supervision of the banking, insurance and capital markets industries in Singapore. During her time with MAS, she also worked in reserves management, development, external relations and strategic planning.

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

Board of Directors

BOBBY CHIN

- Non-executive and independent Director
- Chairman, Audit Committee
- Chairman, Risk Committee
- Date of Appointment: 1 May 2012
- Last Re-elected: 21 Jul 2015
- Number of directorships in listed companies (including Singtel): 5

Mr Bobby Chin, 64, is a member of the Council of Presidential Advisers and the Chairman of NTUC Fairprice Co-operative Limited and NTUC Fairprice Foundation Ltd. He is the Deputy Chairman of NTUC Enterprise Co-operative Limited and the Housing and Development Board. He serves on the boards of the Singapore Labour Foundation and Temasek Holdings (Private) Limited. He is also a Director of several listed companies, namely Yeo Hiap Seng Limited, Ho Bee Land Limited, SembCorp Industries Ltd and AV Jennings Limited.

Bobby was the Managing Partner of KPMG Singapore from 1992 until his retirement in September 2005. He was the Chairman of Singapore Totalisator Board and was a Director of Neptune Orient Lines Limited, Oversea-Chinese Banking Corporation Limited and Singapore Power Limited. He also served as a Board member of the Competition Commission of Singapore.

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

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

Note:
Mrs Fang Ai Lian and Mr Kai Nargolwala retired from the Singtel Board following the conclusion of the Annual General Meeting on 21 July 2015.

Organisation Structure

GROUP CHIEF EXECUTIVE OFFICER
CHUA SOCK KOONG

Group Business

CHIEF EXECUTIVE OFFICER CONSUMER AUSTRALIA / CHIEF EXECUTIVE OFFICER OPTUS
ALLEN LEW

CHIEF EXECUTIVE OFFICER CONSUMER SINGAPORE
YUEN KUAN MOON

CHIEF EXECUTIVE OFFICER GROUP ENTERPRISE / COUNTRY CHIEF OFFICER SINGAPORE
BILL CHANG

CHIEF EXECUTIVE OFFICER GROUP DIGITAL LIFE
SAMBA NATARAJAN

CHIEF EXECUTIVE OFFICER INTERNATIONAL
MARK CHONG

Corporate Functions

AUDIT COMMITTEE

GROUP CHIEF INTERNAL AUDITOR
CHOR KHEE YANG

GROUP CHIEF CORPORATE OFFICER
JEANN LOW

GROUP CHIEF FINANCIAL OFFICER
LIM CHENG CHENG

GROUP CHIEF HUMAN RESOURCES OFFICER
AILEEN TAN

GROUP CHIEF INFORMATION OFFICER
WU CHOY PENG

GROUP CHIEF TECHNOLOGY OFFICER
TAY SOO MENG

Management Committee

CHUA SOCK KOONG

Ms Chua Sock Koong, 58, was appointed Group CEO on 1 April 2007. She has overall responsibility for the Group's businesses.

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

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

Sock Koong holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charterholder.

BILL CHANG

Mr Bill Chang, 49, was appointed Chief Executive Officer, Group Enterprise on 16 July 2012. He leads the team that provides infocomm and technology (ICT) solutions to enterprise customers. He also assumed the role of Country Chief Officer Singapore on 1 October 2014, and is the principal liaison with local and regulatory bodies.

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

Bill is the Chairman of the Singapore Polytechnic Board of Governors and a Board member of Singapore Post serving in their Compensation and Risk & Technology Committees. He also co-chairs the Future Jobs and Skills sub-committee of the Committee on the Future Economy (CFE) of Singapore. In 2014, he was conferred the honorary Fellow of the Singapore Computer Society.

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

ALLEN LEW

Mr Allen Lew, 61, was appointed Chief Executive Officer, Consumer Australia and Chief Executive Officer, Optus on 1 October 2014.

Prior to that, Allen was CEO, Group Digital Life and also Country Chief Officer Singapore.

Allen began his career with Singtel on 7 November 1980 and has served in various senior management roles both in Singapore and overseas. His first overseas posting was to Advanced Info Service Public Company Limited (AIS), Singtel's regional mobile associate. He was the Chief Operating Officer of AIS for three years before his posting to Optus in late 2001, as Managing Director of Optus Mobile and later as Managing Director of Optus Consumer Business. He returned to Singapore as CEO Singapore in 2006.

Allen is the Chairman of the AIS Executive Committee.

He holds a Bachelor of Electrical Engineering from the University of Western Australia under a Colombo Plan Scholarship and a Master of Science (Management) from the Massachusetts Institute of Technology, US.

LIM CHENG CHENG

Ms Lim Cheng Cheng, 44, is Group Chief Financial Officer. She assumed this role on 10 April 2015 and is responsible for the Singtel Group's finance-related functions including tax, treasury and investor relations.

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

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

Cheng Cheng holds a Master of Business Administration from the University of Chicago Booth School of Business (formerly known as University of Chicago Graduate School of Business) and a Bachelor of Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants and CPA Australia.

JEANN LOW

Ms Jeann Low, 55, was appointed Group Chief Corporate Officer on 10 April 2015. She is responsible for the Group's corporate functions including strategy, mergers and acquisitions, corporate communications, legal, regulatory and procurement.

Prior to this role, she was Group Chief Financial Officer for seven years.

Jeann joined Singtel on 12 October 1998 as Group Financial Controller and has held several management roles including Executive Vice President of Strategic Investments and CFO of Optus.

Jeann is a member of the Governing Board of the Lee Kong Chian School of Medicine. She is also a Director of Advanced Info Service Public Company Limited and was a Council Member of the Institute of Singapore Chartered Accountants from April 2010 to April 2014.

Jeann holds an Honours Degree in Accountancy from the National University of Singapore and is a Chartered Accountant of Singapore.

AILEEN TAN

Ms Aileen Tan, 49, is Group Chief Human Resources Officer responsible for the development of human resources across the Singtel Group, and also leads its corporate sustainability function.

Aileen joined Singtel on 2 June 2008 as Group Director, Human Resources. Prior to that, she was Group General Manager, Human Resources at WBL Corporation Limited and Vice President, Centres of Excellence with Abacus International Pte Ltd.

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

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

Management Committee

WU CHOY PENG

Ms Wu Choy Peng, 51, joined Singtel as Group Chief Information Officer on 6 August 2012. She is responsible for driving the Group's IT vision and roadmap to establish excellence in technology management.

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

Choy Peng is the Deputy Chairman of IDA International Pte Ltd, a wholly owned subsidiary of the Infocomm Development Authority of Singapore. She is also a member of the National University Health System (NUHS) Board and the Chairperson of the NUHS Information Technology (IT) Committee.

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

YUEN KUAN MOON

Mr Yuen Kuan Moon, 49, was appointed Chief Executive Officer, Consumer Singapore on 1 June 2012. He is responsible for leading the Singapore consumer business to deliver a complete and integrated suite of services, including mobile, broadband and TV solutions to consumers.

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

Earlier in his career, Moon was posted to PT Telekomunikasi Selular (Telkomsel), Singtel's regional mobile associate, as General Manager for Product Development in 2003 and was appointed Director of Commerce from 2005 to 2007. He has served on the Board of Commissioners in Telkomsel since 2009.

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

Senior Management

CHIA WEE BOON
Chief Executive Officer, NCS
Group Enterprise

MARK CHONG
Chief Executive Officer,
International

HUI WENG CHEONG
Chief Operating Officer,
AIS

MURRAY KING
Chief Financial Officer,
Optus

ROBERT J. MCCULLEN
Chief Executive Officer and President,
Trustwave

SAMBA NATARAJAN
Chief Executive Officer,
Group Digital Life

JOHN PAITARIDIS
Managing Director,
Optus Business

TAY SOO MENG
Group Chief Technology Officer

WILLIAM WOO
Managing Director,
Enterprise Data & Managed Services
Group Enterprise

Group Consumer

Technological disruption has totally changed the way all of us communicate and consume media. As we have moved from a voice-centric to a data-centric world, we have adapted our suite of services to cater to the changing lifestyles of our customers. Through network, technology and spectrum investments, as well as exclusive and differentiated content, we strive to deliver the best quality customer experience by offering faster speeds, greater coverage, and innovative products and services.

Mobile

Data

Broadband

Pay-TV

Fibre

Group Consumer Singapore

Singtel is reframing our consumer business around data as it has become a big part of Singaporeans' lives. Spending a bulk of their time online and on-the-go means Singaporeans now expect seamless connectivity and superior coverage. This is why we have created plans and services around data, and are enriching our content through over-the-top (OTT) partnerships. We are also accelerating the pace of our network upgrades and bolstering our infrastructure for the coming of the Internet of Things (IoT) as we step up our journey to 5G.

Our goal is to deliver differentiated, quality content and connect our customers to the things and people that matter most to them on any device and at any time through our high-speed fixed and mobile networks.

CONNECTING CUSTOMERS TO INNOVATIVE NEW SERVICES

Our new focus on data-centric plans and services first started with the launch of our SIM Only plans in 2015. These contract-free plans proved instantly popular as it gave our customers greater flexibility in managing their communications needs, offering in fact, an unprecedented level of usage freedom at very affordable prices.

In 2016, much to the further delight of our customers, we launched another innovative data product, a data add-on called DataX2. This data option allows customers to double their data for an affordable flat fee, giving them better value when they sign up and recontract with us.

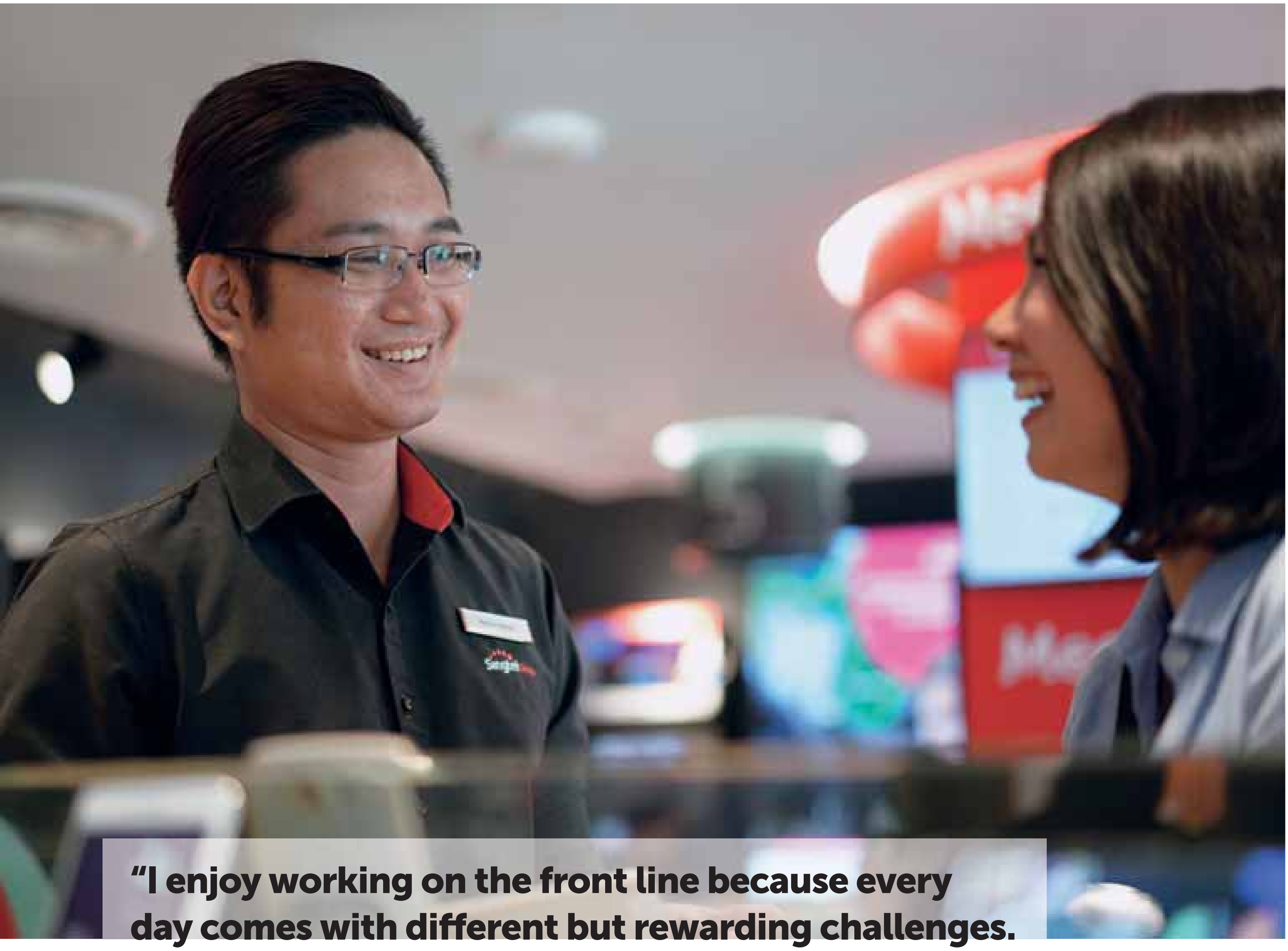
We also introduced Singtel Music, another breakthrough service and the first in Singapore to provide data-free music from popular providers Spotify, KKBOX, MeRadio and AMPed. It was an instant hit among music fans.

With our focus on delivering top quality content to our customers tailored to their entertainment consumption habits – be it on TV, online or on-the-go, we are working closely with traditional and non-traditional content providers to offer a wider range of entertainment options.

We partnered streaming service providers Netflix and Viu to bring millions of hours of top quality English language and premium Korean movies and TV shows to our customers on multiple platforms.

Continuing our push to provide differentiated content to our Singtel TV customers, we also added key channels such as Discovery, Warner TV and ethnic channels for our multinational audience. We sealed our status as the "home of football" by scoring a hat trick, and winning broadcast rights for the biggest football events of 2016 – Barclays Premier League, UEFA EURO and Copa America.

In broadband, we led in technology innovation when we launched our 10Gbps fibre broadband plan for residential customers. The ultra-high



"I enjoy working on the front line because every day comes with different but rewarding challenges. It's satisfying when customers are pleased with our latest mobile offerings."

– **Kelvin Khoo,**
Retail Executive, Singtel

speeds of 10Gbps supports bandwidth-intensive activities and will also ready our network to meet the needs of the rapidly developing IoT ecosystem.

We were also the first in Singapore to up the ante in the mobile payments space, offering an all-in-one mobile payments solution with the new version of our popular app Singtel Dash. Singtel Dash now provides fast and secure transit payments for public transport and top-ups, in-store and online retail payments, as well as local and overseas money transfers to Singaporeans, regardless of their telco relationship or device.

Group Consumer
Singapore

"Work is never boring. I get the first glimpse of the best TV shows in town while ensuring customers enjoy uninterrupted transmissions!"

– **Abdul Hamid Bin Yusoff,**
Broadcast Operations Manager,
Singtel TV

INVESTING IN A FUTURE-READY NETWORK

We recognise that a good network requires broad spectrum holdings, efficient and fast radio technology, leading indoor and outdoor coverage and fast low latency transmission. Our efforts to step up on network planning, deployment, maintenance and innovation have yielded results. According to the Infocomm Development Authority's reports, Singtel offers Singapore's fastest and widest 4G experience, and has topped the nation's widest 4G outdoor coverage chart for six consecutive quarters (Q4 2014 to Q1 2016).

In 2015, we also reinforced our market leadership as the first operator in Southeast Asia to provide a tri-band LTE network using 900Mhz, 1800Mhz and 2600Mhz spectrum. With our tri-band network and nationwide deployment of 900Mhz, we are able to deliver an even deeper 4G indoor coverage with wider and more consistent network performance as well as offer superior speeds of up to 337Mbps.

Another first in Singapore, our carrier grade WiFi, Singtel Premium WiFi,

Delivering the Best Integrated Network Experience

4G **First telco in Southeast Asia** to launch **tri-band 4G** network with superior speeds of up to **337Mbps**

800 Singtel Premium WiFi hotspots **nationwide**

5G Investing in the future of **5G networks**

First telco in Singapore to launch **10Gbps** residential fibre broadband service complements our superior coverage in 800 hotspots nationwide, including major MRT stations and popular F&B outlets such as McDonald's.

We are also rolling out small cell and Hetnet technology to make our network smarter and more efficient.

We aspire to be a frontrunner in the deployment of 5G globally and are well on our journey to making it a reality. Our joint trials with Ericsson of pre-5G technologies such as License Assisted Access and Narrow Band-IoT technologies, will pave the way for us to implement next generation network innovations that are central to our Smart Nation ambitions.

MAKING MEANINGFUL CONNECTIONS WITH CUSTOMERS

We continue to make meaningful connections with our customers online, over the phone and in-store, to enrich their service experience. Enhanced digital engagement via My Singtel app, live webchat and social media channels has been well-received by customers. Additionally, to deliver a better in-person retail experience, we also improved customer processes and revamped several of our Singtel Retail Shops.

In a bid to thank customers with existing mobile and fibre entertainment plans, we introduced the much talked about Singtel Circle. This first-of-its-kind benefits programme in Singapore offers customers free unlimited local mobile data on Sundays and a Hollywood movie on Singtel TV every weekend.

"Every customer call is important to me. I enjoy talking to all my customers and feel a great sense of achievement when I'm able to help."

– **Priyalata Pillay,**
Customer Care Executive & Team Leader, Singtel

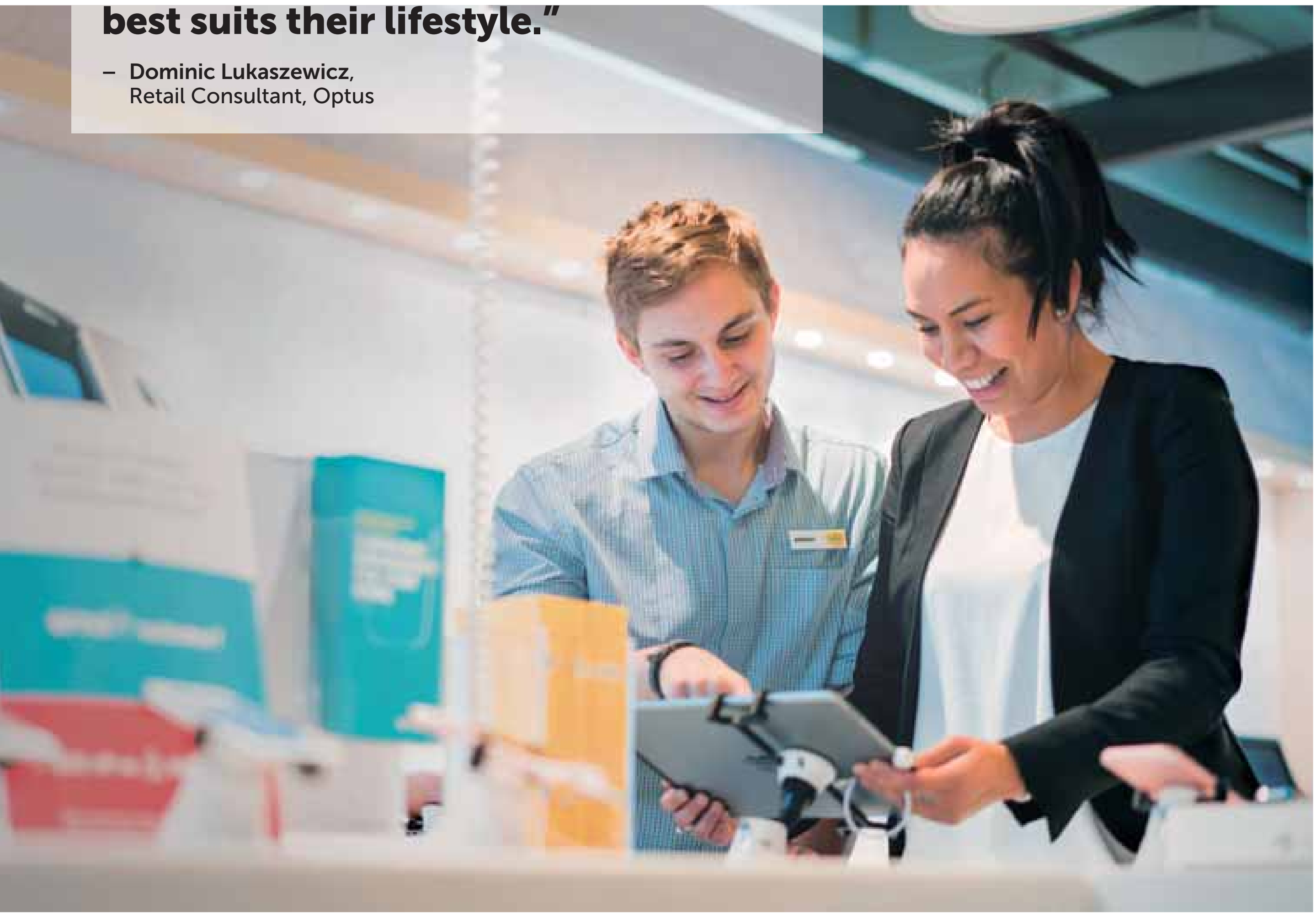
Group Consumer Australia

Optus is pursuing a three-year strategy to reposition our business in a competitive and rapidly changing market. As Australians move to access unprecedented amounts of data through their mobile devices, we are significantly enhancing our suite of digital products and content partnerships, and moving beyond our traditional provision of voice services.

Our ambition is simple: to allow our customers to access the content that they want on devices that suit their lifestyles, underpinned by a fast and reliable network. We are committed to structuring our offerings so that people can enjoy a seamless experience no matter how they choose to connect.

"Working in Optus Retail has taught me how to 'read' customers so I can recommend a product or service that best suits their lifestyle."

– **Dominic Lukaszewicz,**
Retail Consultant, Optus



INVESTMENT IN CONTENT

The transformation of Optus into a mobile-led multimedia company coincides with the growing consumer appetite for online entertainment. About two-thirds of Australian adults currently use the internet to access video content. According to Cisco's Visual Networking Index, video on demand is forecast to account for 82% of Australian IP traffic and more than 77% of mobile data traffic by 2019.

Anticipating this continued growth, we are investing in partnerships, including with Cricket Australia and the Australian Olympic Committee. In November 2015, we won the exclusive Australian rights to the next three seasons of the English Premier League football competition. This marquee acquisition represents a milestone in the changing nature of content delivery to Australian consumers.

PUTTING CUSTOMERS FIRST

This year, we introduced a range of plans to help customers maximise their data. We extended data rollover to prepaid mobile and prepaid mobile broadband plans. We also introduced Family Sharing, which allows customers to share and combine their entire household's mobile data allowance on one bill. In August, we extended data sharing through Data Pool, which allows customers to combine the data from both their mobile and mobile broadband devices.

We were the first Australian telco to offer a mobile payment facility, Cash by Optus. Launched on Android in late 2014, the technology has been extended to iPhone using a Payment Sticker and also includes an NFC-enabled wristband which links directly to the Cash by Optus app.

In the home, we are driving the take-up of great value broadband plans. These bundle together unlimited data, telephony and compelling entertainment offers such as Yes TV by Fetch or subscription offers to video-on-demand services, Netflix and Stan.

For customers who may not want, or who are unable to receive a fixed broadband service, we have introduced Home Wireless Broadband. This is an out-of-the-box modem that uses mobile technology to deliver connectivity straight to a customer's home, and is particularly useful for renters.

Allen Lew, Optus CEO (left), and John Coates, Australian Olympic Committee President (right), celebrating the signing of Optus' 10-year sponsorship, and appointment as the official telecommunications partner of the Australian Olympic team.

Group Consumer Australia

TRANSFORMING CUSTOMER SERVICE

Optus recognises that our customers' preferred methods of engagement are changing. Many customers prefer to interact through the immediacy of online channels using their mobile devices, rather than phoning a call centre or visiting a store.

Buoyed by the success of our self-service portals, My Optus App and My Account, we continue to adapt our customer service model. We have started a multi-year transformation to simplify our back-end technology and offer customers assistance through digital channels. This ensures issues can be resolved efficiently, reducing handoffs between front-line staff. Our social media response team handles up to 1,800 customer queries a day, while Yes Crowd, our peer-to-peer platform in which members share and resolve customer issues, supervised by Optus staff, received 2.7 million visits during the year.

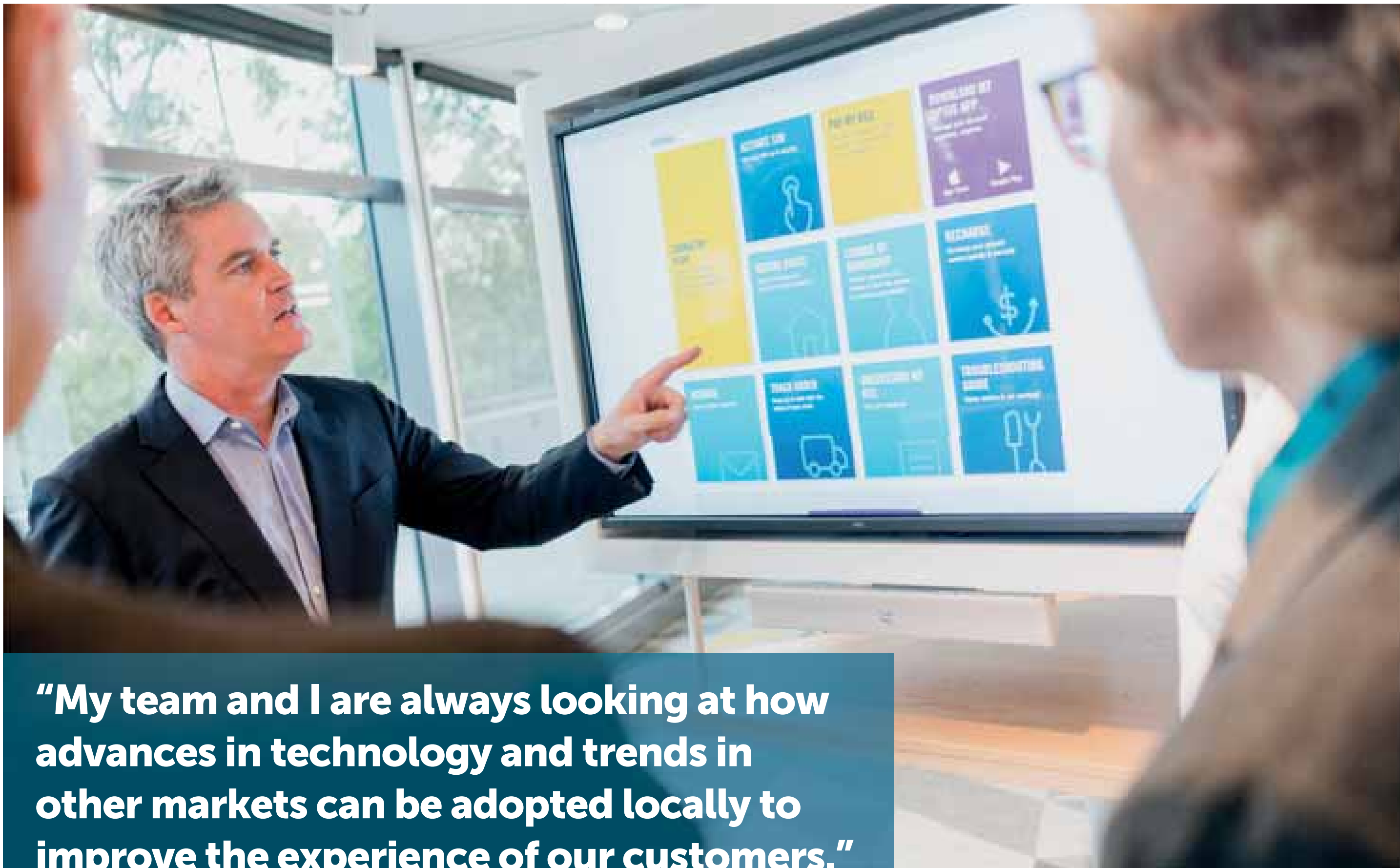
We are also improving service for our small business customers by completing the rollout of 126 business specialist stores. A complementary service we now offer is Premium Business Support. This is a dedicated advisory centre to handle all our customers' mobile and broadband queries.

A GREAT NETWORK

Our products, services and content all rely on an outstanding network. Recognising the popularity of over-the-top video streaming services, we are focused on future-proofing our networks.

Our extensive network investment of A$1.6 billion in FY 2016, which is significantly above our annual average of A$1.3 billion, has allowed us to deliver 4G mobile coverage to 94% of Australians, and optimise our fixed networks for video streaming services.

Our ongoing network investment programme is yielding results, with the performance of our mobile and fixed networks recognised through independent testing. The P3 CommsDay Mobile Benchmark Australia ranked Optus' mobile network as the best along major



"My team and I are always looking at how advances in technology and trends in other markets can be adopted locally to improve the experience of our customers."

– Chris Smith,
Head of Digital Sales and Service, Optus

roads and highways, while the Australian Netflix ISP Speed Index has ranked Optus' fixed networks as the best for prime-time streaming for six consecutive months. Stan, a major Australian streaming provider, rated Optus as providing the fastest streaming service for its viewers for five consecutive months.

Acquiring new regional licences in the 1800MHz spectrum band positions us to expand 4G even further. We are the first Australian carrier to introduce WiFi Talk, enabling customers to call and text over public WiFi where mobile coverage is limited or non-existent.

Group Consumer
Regional Mobile Associates

The data revolution is only just beginning in the emerging markets with the increasing availability of affordable smartphone devices. As many customers are accessing the internet via their mobile phones and devices for the first time, there is significant growth potential for mobile data services and tremendous opportunities for our regional mobile associates. They are investing heavily in mobile infrastructure, moving from 3G to 4G, and introducing innovative digital services.

We are sharing insights and lessons from our own transformation efforts, and working closely with them to drive digital empowerment and mobile data growth. As a Group with a ready market base of more than half a billion mobile customers across Asia Pacific and Africa, we are committed to leveraging our scale and collective expertise to derive greater synergies and serve our customers better.

GROWTH IN MOBILE DATA AND DIGITAL SERVICES

The growth in mobile data services is a major opportunity for emerging market telcos seeking to diversify beyond traditional revenue streams from voice and text. The number of data users across our associates' markets was 198 million as at 31 March 2016, a 21% increase from a year earlier, while data volumes increased by 78% over the same period. Year-on-year revenue growth from mobile data ranged from 21% to 65%.

Innovative pricing is helping to drive customer adoption of mobile data. In India, Airtel Night was introduced last year, where rebates were offered to customers who use mobile data between 12am and 6am. This resulted in a 33% increase in data usage at night. In the Philippines, the Globe myLifestyle Plan was launched. It is a customisable postpaid plan which gives customers the flexibility to select from various promotional packs that best suit their lifestyles and mobile data needs.

Expanding the suite of attractive digital content through over-the-top (OTT) services is another way in which our associates are increasing their revenue. In Thailand, AIS Playbox was launched to provide high quality digital entertainment with its extensive range of TV channels, movies, cartoons and karaoke songs for home broadband customers. AIS has extended this to a mobile platform, AIS Play. Meanwhile, HOOQ, a premium OTT video service by Singtel, has been launched in many of our associates' markets, such as India, Indonesia, Thailand and the Philippines. This has stoked data usage, since the latest movies and TV shows come at an affordable fee.

Mobile payments are also proving popular in the emerging markets, where a large part of the population do not have credit cards or bank accounts. In Africa, Airtel Timiza was introduced to allow its customers access to short-term loans through their mobile phones. Telkomsel also offered the TCash Tap sticker – an electronic money service that offers customers a safe, easy and fast way to make payments with selected merchants.

"Regular face time with our regional mobile associates is essential when it comes to rolling out products and devices successfully. We always differentiate our solutions across the region."

– **Wendy Tan,**
Associate Director for Products and Devices, Singtel International

Group Consumer
Regional Mobile Associates

POWERING UP THE NETWORKS

Our associates are significantly expanding their 3G and 4G network capabilities to meet the rising demand for mobile data. Collectively, about S$8 billion was spent on capital expenditure in FY 2016, following a combined investment of more than S$13 billion over the previous two years. AIS, Airtel India and Globe also acquired additional 4G spectrum during the year.

With India's government and youthful population committed to transformation via the Digital India initiative, mobile data adoption is set to grow in both cities and rural areas. Airtel is investing INR 600 billion over the next three years to improve voice and data services for customers as part of its Project Leap transformation. Airtel was the first to launch 4G in India and currently offers 4G in 14 telecom circles. In addition, recent spectrum acquisitions will allow Airtel to offer 4G services across the whole of India.

Significant network expansions are also underway across the rest of our footprint. In January 2016, AIS launched 4G services across 42 provinces in Thailand, with the aim of achieving 50% population coverage by year end. In Indonesia, Telkomsel currently offers 4G in about 40 cities, in addition to its 3G coverage, while in the Philippines, Globe is expanding its 4G coverage and capacity.

Airtel Africa is also investing in network infrastructure to support its growing mobile data customer base. It is currently expanding its 3G network to become the market leader in the various markets where it operates. It has also introduced 4G in Seychelles, Rwanda and Gabon.

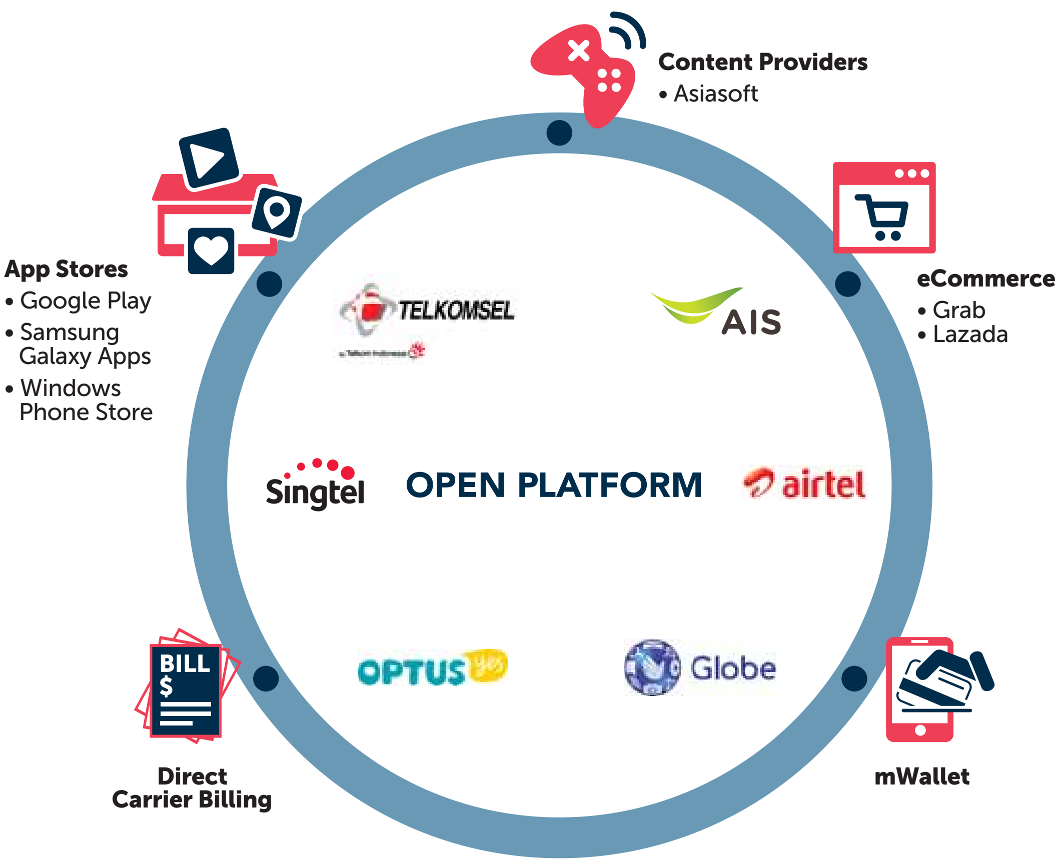
PROMOTING CLOSER GROUP COLLABORATION

Collaboration among Singtel's associates reached new highs in 2015 as we sought ways to leverage the Group's scale.

Our Centres of Excellence framework provides a platform to share business insights, product strategies and operational best practices across the Group. Group-wide initiatives such as our annual CEO Forum, Product Innovation Fair and Mobile App Challenge are also designed to encourage cross-pollination of new ideas and tap into local tech ecosystems. Group negotiations for entry-level handsets as well as SIMs lower our operating costs and help to promote the adoption of mobile data.

Our collaborative efforts also enable our content and service partners to tap on the Group's collective billing capability, both in direct carrier billing as well as mobile wallets. The Singtel Open Platform is a common payment gateway for Singtel, Optus and our regional mobile associates. This one-stop shop significantly reduces the integration effort and time for our business partners. In FY 2016, we signed agreements with online shopping company Lazada, gaming company Asiasoft and transport booking app Grab, which allow customers to make payments using our associates' direct carrier billing and mobile wallet capabilities. Such arrangements will empower millions of customers without access to credit cards and bank accounts to participate in online commerce with the security and convenience of cashless payments.

Singtel's Regional Payment Gateway



Group Enterprise

As globalisation accelerates and cities become smarter and more integrated, network and communication technology continues to be vital for both businesses and public agencies looking to exploit such capabilities as levers for growth. The shift to cloud services has also created complex demands on infocomm technology (ICT) services. This is underlined by the need for greater connectivity, cyber security and advanced analytics. We offer our potential partners a reliable and progressive suite of managed and network infrastructure services they can depend on.

- Networks
- Smart Cities
- Cloud Computing
- Cyber Security
- Business Mobility
- IT Services
- Data Centres
- Satellite Communications

Group Enterprise

Singtel is driving growth in our three strategic priorities in the digital economy: cloud, cyber security and smart city solutions. We are also strengthening our leadership in our core enterprise ICT business with network infrastructure, such as advanced data centres, international data networks, next-generation software-defined networks and info-technology capabilities.

Our strategy is to deliver solutions that help businesses and governments transform the way they market, engage and innovate. To strengthen our market leadership in Asia Pacific, we are building and acquiring capabilities, deepening our industry expertise and forging strategic partnerships.

Investing in Key Infrastructure

Connectivity

Southeast Asia – Middle East – Western Europe 5 Cable

- Multi-regional data super highway - 20,000 km submarine communications cable system linking Southeast Asia to Western Europe
- Developed by consortium of 18 global players
- 100Gbps technology can meet demand by bandwidth-intensive applications

13 Data Centres across Asia Pacific

Cyber Security

12 Security Operations Centres globally

GROWING OUR ENTERPRISE CLOUD CAPABILITIES

As businesses and governments migrate their information infrastructure and data assets to the cloud to operate with greater speed and agility, cloud is spurring a reinvention of business processes and models. This is creating a market that is expected to grow from US$175 billion in 2015, to US$204 billion in 2016, according to Gartner. We are capturing this market opportunity with a greater choice of platforms and cloud-based solutions for our customers through a growing number of leading cloud service partners.

We launched managed public and private cloud services to complement our virtual private cloud service, offering customers cloud platform combinations that can support their applications, scale their operations securely, reliably and cost effectively while fulfilling compliance requirements. For customers who are at different stages of cloud adoption to move to the cloud and tap its full potential, we introduced Singtel Cloud Lifecycle Services. We also launched Singtel ConnectPlus Software-Defined Wide Area Network to help them simplify and securely manage their private networks and public internet services.

We are investing in a S$400 million data centre to meet increasing demand for secure and reliable cloud services and support the expansion of our cloud platform across Asia. The centre is set to be the largest in Singapore when completed in the third quarter of 2016 and will increase our network of data centres in Asia Pacific to 13. It will host new cloud, smart and analytics technologies to help businesses of all sizes to innovate, scale and connect their operations in Singapore and the region seamlessly.

BOOSTING CYBER SECURITY CAPABILITIES

Cyber security is becoming increasingly critical as cloud computing and enterprise mobility services consume larger amounts of complex data over the internet, and cities become more connected. The growing frequency and sophistication of cyber threats are making many enterprises and governments realise that they are not adequately equipped with technical and professional resources to respond to cyber threats. According to Gartner, the urgent need to find trusted partners to address their cyber vulnerabilities is fuelling the growth of the global managed security services industry from US$15 billion in 2015 to US$27 billion in 2019.

"We customise our solutions as every client has different business needs. With Brussels Sprouts, we recommended a cloud solution to help them run their operations across various restaurants in Singapore."

– **Jason Tan Jie Sheng,**
Territorial Sales Manager, Singtel (right)
with **Gavin Chen**, CEO of Brussels Sprouts (left)

We have been growing our cyber security capabilities organically and through investments and partnerships with FireEye, Akamai and Palo Alto Networks, in anticipation of this trend. With our 2015 acquisition of Trustwave, the largest independent managed security services provider in North America, we can now provide differentiated security solutions for different markets and industries and meet the growing demand for real-time, round-the-clock managed security services.

We have also broken new ground in maritime cyber security globally by partnering global mobile satellite communications company Inmarsat to deploy Trustwave's managed security services to defend against cyber attacks.

We are growing our leadership in the enterprise cyber security space with the launch of the Singtel Cyber Security Institute or CSI in April 2016. An advanced cyber range and educational institute, the CSI will meet the growing regional need for skilled cyber security expertise and raise cyber preparedness among boards and C-suites. It is the first of its kind in the region to enhance the cyber defence capabilities of cyber operations teams and equip company boards and senior management with cyber awareness, crisis and communications management skills.

Group Enterprise

CREATING SOLUTIONS THAT POWER SMARTER CITIES

With more than 60% of the world's population expected to live in or around a city by 2025, urban challenges are set to rise and drive the growth of smart cities. We are enabling smart cities with our advanced capabilities in cloud computing, analytics and agile application development.

In Singapore, our solutions are adding intelligence and connectivity to infrastructure, supporting the government's initiative to transform the country into the world's first Smart Nation by 2025.

In the area of transport, we won the bid with Mitsubishi Heavy Industries to deliver a next-generation Electronic Road Pricing system for Singapore's Land Transport Authority. Our solution, which uses advanced satellite technology for congestion management, is the first of its kind to be implemented nationwide in an urban environment. The new system is expected to be implemented progressively from 2020.

Our Continuous Care Management solution helps healthcare institutions and agencies provide better care for an ageing population and reduce costs. This solution allows doctors and caregivers to remotely engage with patients and track their condition as they recuperate at home.

We are also investing in the development of a talent pool of professionals with skills and experience in smart city solutions. In 2015, we launched the Solutions for Urbanised Future (SURF) training programme as part of the Infocomm Development Authority of Singapore's Company-Led Training initiative. This programme offers on-the-job training in smart city solutions to 100 entry-level graduates over one year, and reflects our commitment to Singapore's Smart Nation journey.

In Australia, we are providing advanced location analytics for leading retail mall operator Scentre Group in partnership with Aruba and SkyFii. With this solution, Scentre Group can deliver personalised content to its subscribers' mobile devices when they visit the malls.

Singapore's Minister for Communications and Information, Dr Yaacob Ibrahim (centre), graced the opening of the Singtel Cyber Security Institute, flanked by Group CEO, Chua Sock Koong (right), and CEO, Group Enterprise, Bill Chang (left).

"My colleagues and I develop and integrate new technology for our mobile networks, so customers can communicate even in rail tunnels and high traffic areas."

– **Richard Fear,**
Manager, Radio Planning Team, Optus

SUPPORTING SMALL AND MEDIUM ENTERPRISES

Small and medium enterprises or SMEs make up 99% of all registered businesses in Singapore, forming a vital backbone for the local economy. This is why we actively help SMEs prepare for the digital economy through ICT adoption and upgrading.

In 2015, we launched the nationwide 99%SME campaign with DBS, MediaCorp and other partners, to drive innovation for small businesses by encouraging them to use ICT and social media to generate awareness of and demand for their offerings.

The campaign tapped the Brand Intelligence platform of Amobee, our global digital marketing business, to help SMEs collate and analyse online customer sentiment. We used social media to publicise the offerings of participating SMEs to more than 1.1 million consumers. Finally, the campaign culminated in a four-day 99%SME Week, where consumers across Singapore rallied around over 1,600 local SMEs by buying and using their products and services.

We are committed to this annual campaign for the next four years to help local SMEs grow.

Group Digital Life

We know that it is not enough to just rely on and improve our core services. As the landscape begins to radically shift towards a data-driven digital economy, we must pursue other growth drivers while capitalising on our core telco assets. This presents new emerging opportunities for us to capture. Hence, we continue to invest in three distinct digital business strands, besides funding and developing new digital services that have the potential to go global.

Digital Marketing

[a·mo·bee]

Brand Intelligence helps clients such as Microsoft, Lexus and Fiat engage customers better

Geoanalytics

DataSpark

intelligently interprets location-based mobile data to generate commercial and public sector insights

Accessing Innovation

Singtel innov8

gives the Group early access to leading innovations through investments

Mobile Video Streaming

HOOQ

provides 35,000 hours of premium Hollywood, Asian and local entertainment to customers in emerging markets

Group Digital Life

Group Digital Life is focused on three specific areas: digital marketing, advanced data analytics and intelligence, and premium over-the-top (OTT) video to lead our push into the digital economy. We also drive innovation through our corporate venture capital fund Singtel Innov8, which has access to cutting-edge technologies globally.

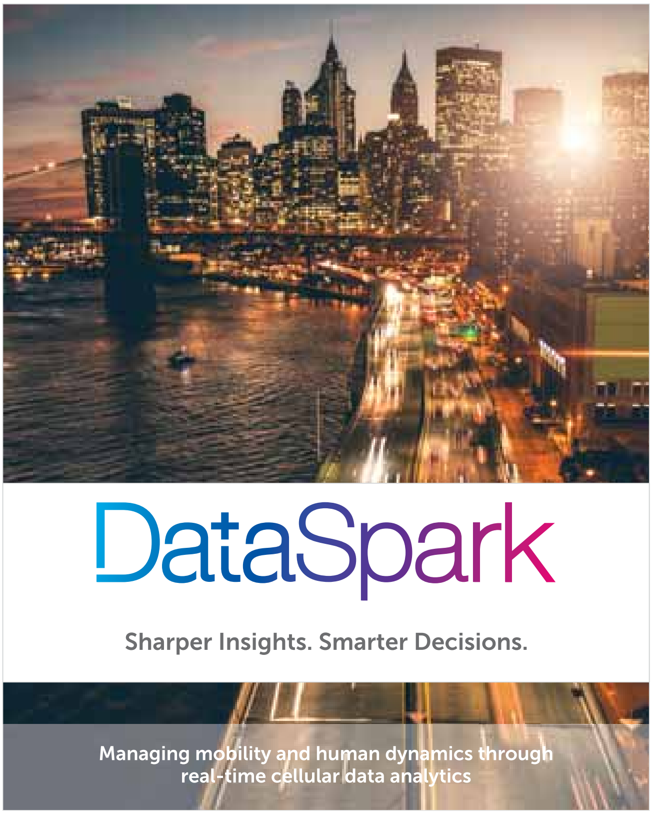
Digital innovation requires more than an agile mindset and passion for experimentation. Singtel's competitive edge is derived from our extensive customer datasets and relationships with more than half a billion customers across Asia, Africa and Australia. This unparalleled level of market insight enables us to deliver scalable technology breakthroughs and spearhead innovation in conjunction with our regional mobile associates.

THE FUTURE OF DIGITAL MARKETING

Brands and advertisers are increasingly choosing digital marketing channels to reach consumers. Total digital ad spending is forecast to reach US$301 billion by 2020, according to eMarketer, with Asia set to enjoy the largest percentage growth. The shift in advertising dollars reflects the changing content consumption habits of audiences, who are spending more time on their mobile devices for information and entertainment than traditional channels such as television and radio.

Amobee, our global digital marketing arm, is positioned to seize these opportunities. The Amobee Brand Intelligence platform analyses and correlates more than 60 billion content engagements daily across the web, social media, video and mobile. With unique insights into their target audience, Amobee's brand and agency clients can optimise media strategies in real time to increase brand awareness and engagement rates. Amobee INK, a proprietary technology, makes this more precise by allowing clients to overcome the challenge of audience fragmentation across multiple devices to effectively identify and engage consumers with the right impressions.

In 2015, Amobee took significant steps to extend its reach and



capabilities. For example, Amobee Locate enables clients to target mobile and tablet devices using location and audience data from North America. A further innovation is Amobee OutStream, which targets audiences with interactive video ad formats that are seamlessly embedded within relevant editorial content and only play when the ads are in view. This is achieved through a semantic-level understanding of editorial content using Brand Intelligence technology.

Amobee also signed marketing partnerships with Instagram and Pinterest, in addition to existing Ads API integrations with Facebook and Twitter. Clients can use Brand Intelligence technology to drive customer engagement across the world's four most popular social media platforms.

GENERATING INSIGHTS FROM ADVANCED ANALYTICS

DataSpark leads our efforts to interpret the rich and unique customer data through geoanalytics to give governments and businesses the clarity and confidence to act on insights and make more effective decisions. All data used by DataSpark is encrypted, anonymised and aggregated to protect customer privacy.

For businesses, the anonymised location data helps focus their marketing efforts in areas with high footfall, while governments can plan better for transport, housing, healthcare, education and emergency services.

During the year, our telco affiliates started to use DataSpark's advanced analytics tools for the first time to optimise network and retail shop planning, and enhance their marketing efforts.

In Singapore, DataSpark is helping clients in the public sector improve mobility and urban planning. By providing planners with insights on residential and commercial districts and the commuting patterns of the population between these areas, we are contributing towards Singapore's Smart Nation vision.

The priority that DataSpark places on data science is reflected in the seven geoanalytics patents filed in 2015. DataSpark has also significantly improved the configurability and scalability of its software, enabling it to handle a more versatile range of large datasets.

Group Digital Life

MAKING MULTIMEDIA ACCESSIBLE

Digital video consumption is surging, especially in Asia where the proliferation of affordable mobile devices and a growing middle class are allowing consumers to access content anytime. It is estimated that by 2020, there will be more than 100 million paying digital video users in Asia (ex-China), creating a market worth S$1 billion.

HOOQ, Singtel's premium OTT video solution, was launched with Sony Pictures and Warner Bros. Entertainment to capture this fast-growing market and help diversify our revenue streams. HOOQ recently launched in Indonesia, adding to its presence in India, the Philippines and Thailand. As subscriptions continue to grow, we aim to become the largest OTT provider in Asia Pacific through close collaboration with our regional mobile associates. This service will also help them to drive mobile data adoption in their markets.

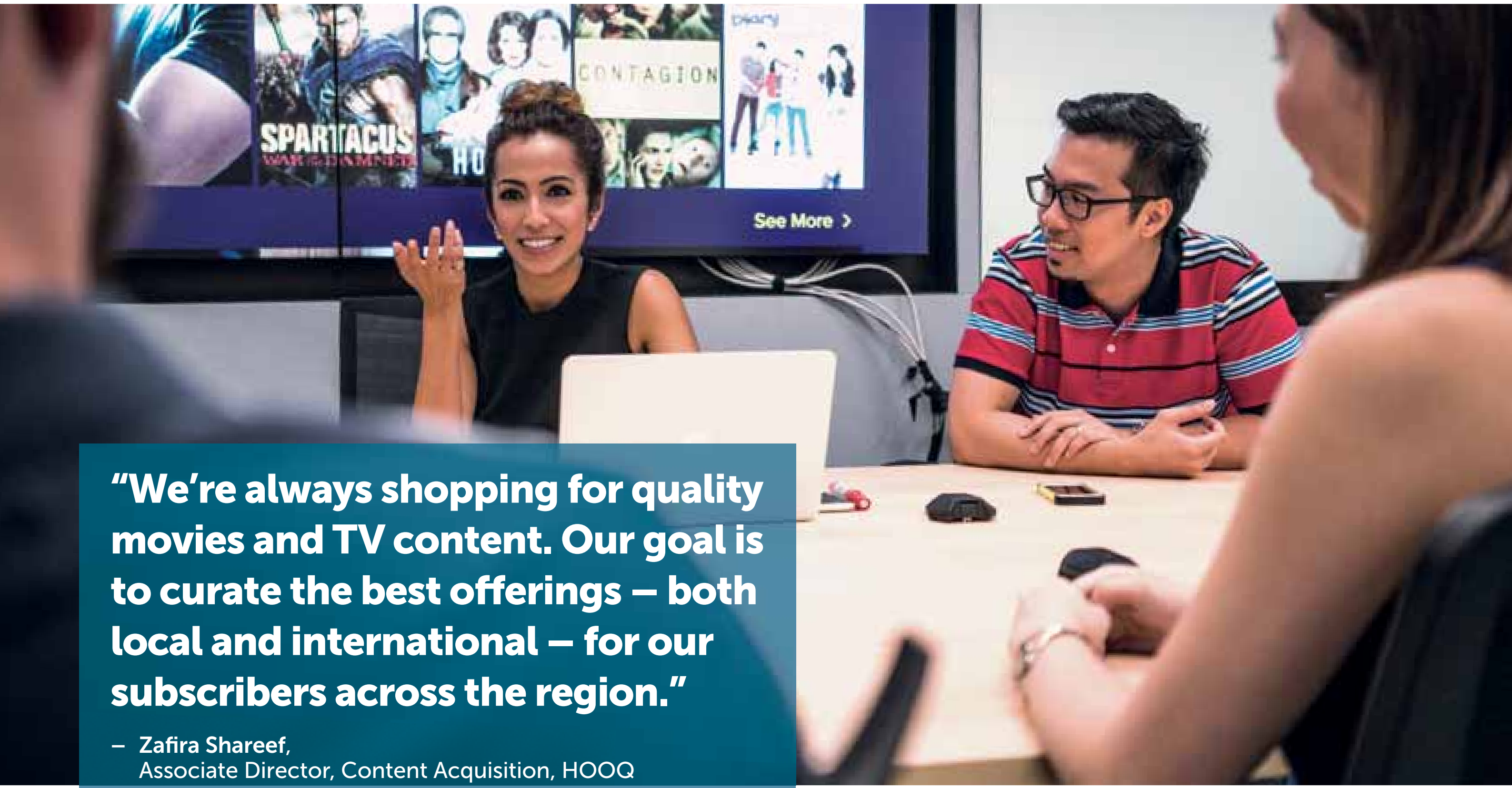
HOOQ offers affordable access to more than 35,000 hours of Hollywood, Asian and local video content, supplemented this year by hit TV shows such as Mad Men and Supergirl. Customers can enjoy unlimited streaming on any connected device or choose to download their favourite shows when it is convenient and watch it uninterrupted – a helpful feature in markets where mobile networks are not able to support 4G speeds yet. In addition, viewers can enjoy HOOQ content on their television screens via Google Chromecast.

We make billing easier for HOOQ subscribers through our associates' carrier billing facility, a vital factor in countries where credit card penetration is extremely low. In India, HOOQ has signed innovative distribution and payment partnerships with Snapdeal, Paytm and Tapp.

INVESTING IN INNOVATION

Singtel's success hinges on continuous innovation. Complementing our in-house efforts, our US$250 million corporate venture fund Singtel Innov8 (Innov8), focuses its investments in innovative start-ups around the world with technologies and solutions that enhance the Group's capabilities, giving us access to emerging technologies.

Innov8 works closely with the ecosystem of leading innovators, developers, government agencies, R&D and capital providers to bring



"We're always shopping for quality movies and TV content. Our goal is to curate the best offerings – both local and international – for our subscribers across the region."

– Zafira Shareef,
Associate Director, Content Acquisition, HOOQ

"I love being a data scientist and the thought that my work in geoanalytics can help urban planners make traffic congestion a thing of the past anywhere in the world. How cool is that?"

– **Vinutha Raghavendra,**
Senior Data Engineer, DataSpark

cutting-edge technologies and solutions to the various markets we operate in. Its portfolio start-ups have the opportunity to access our mobile customer base and enterprise customers from both developed and emerging markets across 25 countries. In addition, start-ups are also able to leverage Innov8's presence in the global innovation hubs of Singapore, San Francisco and Tel Aviv, as well as its partnerships across the globe to accelerate their growth.

For example, in FY 2016, Innov8 invested in HOPE Technik, a leading Singapore-based engineering company that delivers solutions for industries involved in all aspects of the supply chain. Its portfolio includes the design and manufacture of drones, fire-fighting and classified vehicles, automated guided vehicles and space plane demonstrators. HOPE Technik and our subsidiary, NCS, are now collaborating on government and enterprise projects designed to further Singapore's Smart Nation initiative such as the use of drones and automated guided vehicles as part of emergency response systems.

A number of Innov8's portfolio companies have been acquired during the past year. Notably, industry-leading cloud-based Internet of Things (IoT) platform Jasper was acquired by Cisco.

In January 2016, Innov8 launched the Innov8 Connect programme, which aims to bring start-ups and Singtel together to create innovative solutions for business challenges faced by the Singtel Group. Innov8 Connect provides start-ups the opportunity to collaborate directly with Singtel's business units to tackle real-world business challenges and validate their solutions at the same time. Successful solutions may lead to commercialisation and start-ups will also have the opportunity to seek funding from Innov8 and tap into its network of co-investors and partners across the globe.

Innov8 also formed a partnership with the innovation arms of Orange, Telefonica and Deutsche Telekom in 2015 to bridge the start-up ecosystems across Southeast Asia, Africa, Europe, Latin America and the Middle East. Branded Go Ignite, the alliance aims to better provide go-to-market support to eligible start-ups beyond their home market. This will give start-ups the opportunity to tap on the resources and network of four leading communications companies, as well as their collective enterprise and consumer customer base of over one billion mobile customers across five continents.

Key Awards and Accolades

Business Excellence

SINGTEL

ASIA COMMUNICATION AWARDS 2015
- Best Brand Campaign for Dash
- Satellite Operator of the Year

COMPUTERWORLD HONG KONG AWARDS 2015
- Best Global WAN Connectivity Service Provider of the Year

COMPUTERWORLD READERS' CHOICE AWARDS
- Best Managed Connectivity Services (2006–2015)

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

CUSTOMER EXPERIENCE MANAGEMENT (CEM) ASIA SUMMIT 2015
- Best Contact Centre for Client Business (1st Runner Up)
- Best Customer Experience Team (Winner)
- Best Digital Experience for Dash (Honorary Mention)

FROST & SULLIVAN SINGAPORE EXCELLENCE AWARDS 2015
- Mobile Service Provider
- Telecom Service Provider of the Year

HWM + HARDWAREZONE.COM TECH AWARDS 2015 & 2016
- Best Fibre Broadband Service Provider
- Best Telco

IDC ASIA/PACIFIC TELECOM SUMMIT AWARDS
- Service Provider of the Future

INTERNATIONAL CONTACT CENTRE AWARDS 2015
- Best Customer Experience Delivered for Client Business (Bronze)
- Best Outsourced Programme Contact Centre for Client Business (Gold)

NETWORKWORLD ASIA INFORMATION MANAGEMENT AWARDS
- Best in Disaster Recovery & Business Continuity (2014–2015)
- Best in Security as a Service (2012–2015)

NETWORKWORLD ASIA READERS' CHOICE AWARDS
- Best in Managed Infrastructure Services (2012–2015)
- Best in Managed Security Services (2014–2015)

SINGAPORE RETAIL ASSOCIATION AWARDS 2015
- PREMIUM Service GEM Award – Telecommunications category (May–July 2015)
- Service Excellence Awards – 57 Star, 52 Gold and 22 Silver award recipients

SINGTAO DAILY IT SQUARE EDITORS' CHOICES HK AWARDS
- Best Managed ICT Service Provider (2011–2014)

TELECOMS.COM AWARDS 2015
- Pushing the Mobile Limits Award

WORLD COMMUNICATION AWARDS 2015
- Best Enterprise Service: Managed Hybrid Network
- Best Mobile Product: Dash

OPTUS

2015 GLOBE TELECOMMUNICATIONS AWARDS
- Innovation Award

2015 ACCOM AWARDS
- Best Mobile Solution for Cash by Optus

NCS

CIO AWARDS 2015
- CIO Asia 100 Honourees Award

COMPUTERWORLD SINGAPORE CUSTOMER CARE AWARDS
- System Integrator (2014–2015)

MOB-EX AWARDS 2015
- Best Use of Social Platform: DBS Business Class (Gold)
- Most Innovative Use of Mobile: MyTransport.SG (Gold)
- Most Informative Use of Mobile: Visa Explore (Silver)
- Most Informative Use of Mobile: MyTransport.SG (Bronze)

AMOBEE

2016 AMERICAN BUSINESS AWARDS
- Most Innovative Tech Company of the Year
- Company of the Year

BEST IN BIZ AWARDS 2015
- Innovative Product of the Year – Amobee Brand Intelligence

CIO REVIEW 2015
- Top 20 Most Promising Digital Marketing Solution Providers

DATASPARK

CIO REVIEW 2015
- Top 20 Most Promising GIO Companies

TELECOM ASIA AWARD 2015
- Most Advanced Analytics

HOOQ

GLOBAL MOBILE (GLOMO) AWARDS 2016
- Best Mobile App (Media, Film, TV or Video category)

Corporate Citizenship

REGIONAL MOBILE ASSOCIATES

AIS

FROST & SULLIVAN THAILAND EXCELLENCE AWARDS 2015
- Data Service Provider of the Year
- Mobile Service Provider of the Year
- Telecom Service Provider of the Year

SUPERBRANDS AWARDS 2015

BHARTI AIRTEL

CNBC TV18 INDIA RISK MANAGEMENT AWARDS 2015
- Firm of the Year – Telecommunication

FROST & SULLIVAN INDIA INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT) AWARD 2015
- Best Enterprise Telecom Service Provider of the Year, SMB (Corporate) category

GLOBE

18TH ANNUAL TELECOM ASIA AWARDS
- Best Emerging Market Operator

9TH ANNUAL STEVIE AWARDS FOR SALES & CUSTOMER SERVICE
- Gold Stevie in Best Use of Technology in Customer Service (All Other Industries)

TELKOMSEL

FROST & SULLIVAN ASIA PACIFIC ICT AWARD 2015
- Mobile Service Provider of the Year

RED HAT ASIA PACIFIC INNOVATION AWARD 2015
- Best IT Innovation

SINGTEL

ALPHA SOUTHEAST ASIA INSTITUTIONAL INVESTOR AWARDS 2015
- Most Consistent Dividend Policy
- Most Organised Investor Relations
- Strongest Adherence to Corporate Governance

ASEAN CORPORATE GOVERNANCE SCORECARD 2015
- 1st in Singapore
- Top 5 in ASEAN

CDP 2015 INDEX (ASIA EX-JAPAN)

COMMUNITY CHEST AWARDS 2015
- Corporate Platinum Award
- SHARE Corporate Gold Award

FINANCEASIA ASIA'S BEST COMPANIES POLL 2015
- Best Managed Company, Singapore

GOVERNANCE AND TRANSPARENCY INDEX 2015
- 1st in Singapore

HR EXCELLENCE AWARDS 2015
- Cross-Border HR Programmes – Gold
- HR Social Media – Gold
- Mature Workforce Practices – Gold
- Compensation & Benefits Strategy – Silver
- Employee Engagement – Silver
- Employee Development – Silver
- Talent Management – Silver
- Workplace Well-Being – Silver
- Graduate Development – Bronze

HRM AWARDS 2016
- Best Performance Management
- Best Reward & Recognition Strategies
- HR Team of the Year

IR MAGAZINE AWARDS – SOUTH EAST ASIA 2015
- Best in Sector: Communications & Technology

NEWSWEEK GLOBAL 500 COMPANIES GREEN RANKINGS 2015
- Ranked 81st globally (1st in Singapore)

SIAS INVESTORS' CHOICE AWARDS 2015
- Board Diversity Award

SINGAPORE HR AWARDS 2015
- Leading HR Practices in:
  - Compensation & Rewards Management
  - Lifelong Learning
  - Talent Management, Retention & Succession Planning

SUSTAINABLE BUSINESS AWARDS SINGAPORE 2015
- Stakeholder Engagement and Materiality

WORLD'S MOST ETHICAL COMPANIES 2016
- Winner

OPTUS

ETHICAL CORPORATION'S SIXTH ANNUAL RESPONSIBLE BUSINESS AWARDS
- Most Effective Domestic Community Investment

LEARNX IMPACT AWARDS 2015
- Best eLearning Design-Rapid Authoring, Silver Winner
- Best New Technology Implementation – Cloud-based Learning Solution, Gold Winner
- Best Talent-Learning Team, Platinum Winner

NAPCAN PLAY YOUR PART AWARDS 2015
- National Award

RANDSTAD AWARD 2015
- Top 3 Most Attractive ICT Companies

Governance & Sustainability Philosophy

We know our stakeholders and investors are no longer just interested in our financial performance. They are also interested in how we create long-term value by embracing responsible business practices and being transparent with our disclosures. We have always aspired to the highest level of corporate governance and will continue to do so, to bring greater value to our shareholders.

Our stakeholders are also keen to know more about our social performance – how we protect the consumer, give back to society, look after the environment and address workplace diversity. We believe our reputation and long-term success depend not just on business and financial indicators, but how we create positive change in our society. We will continue to stay ahead of the competition and build a sustainable future for all.


WOOLOOWARE
HIGH SCHOOL

Corporate Governance

Our Governance Framework

CHAIRMAN
SIMON ISRAEL

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

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

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

AUDIT COMMITTEE

3 independent Directors and 1 non-independent Director

CHAIRMAN
BOBBY CHIN

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

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

2 independent Directors and 1 non-independent Director

CHAIRMAN
LOW CHECK KIAN

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

EXECUTIVE RESOURCE & COMPENSATION COMMITTEE

2 independent Directors and 1 non-independent Director

CHAIRMAN
PETER MASON AM

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

FINANCE & INVESTMENT COMMITTEE

2 independent Directors and 1 non-independent Director

CHAIRMAN
SIMON ISRAEL

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

RISK COMMITTEE

2 independent Directors and 1 non-independent Director

CHAIRMAN
BOBBY CHIN

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

GROUP CHIEF EXECUTIVE OFFICER

CHUA SOCK KOONG

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

MANAGEMENT COMMITTEE

Group CEO,
CEO Group Enterprise,
CEO Consumer Australia,
CEO Consumer Singapore,
Group Chief Corporate Officer,
Group CFO,
Group Chief Human Resources Officer, and
Group Chief Information Officer

Key Objective
Direct Management on operational policies and activities

INTRODUCTION

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

Prior to 5 June 2015, Singtel was listed on both the Singapore Exchange Securities Trading Limited (SGX) and ASX Limited (ASX), and complied in all material respects with the principles, guidelines and recommendations in the Singapore Code of Corporate Governance 2012 (Code) and the ASX Corporate Governance Principles and Recommendations. On 22 April 2015, Singtel announced its delisting from the ASX, which took effect on 5 June 2015. Singtel continues to be listed on the SGX and its delisting from the ASX has not materially affected Singtel's compliance obligations or corporate governance policies and practices. For the financial year ended 31 March 2016, Singtel has complied in all material respects with the principles and guidelines in the Code. This report sets out Singtel's key corporate governance practices with reference to the Code.

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

ASEAN Corporate Governance Scorecard

Ranked **#1** for Singapore (2015 and 2014)

Top **5** ASEAN companies (2015)

Governance and Transparency Index

Ranked **#1** (2015)

SIAS Investors' Choice Awards

Board Diversity Award (2015)

DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2016 [1]

Name of Director	Scheduled Board Meetings: Number of Meetings Held	Scheduled Board Meetings: Number of Meetings Attended	Ad Hoc Board Meetings: Number of Meetings Held	Ad Hoc Board Meetings: Number of Meetings Attended	Annual General Meeting
Simon Israel	8	8	1	1	✓
Chua Sock Koong	8	8	1	1	✓
Bobby Chin	8	8	1	1	✓
Venkataraman (Venky) Ganesan	8	8	1	1	✓
Low Check Kian	8	8	1	–	✓
Peter Mason AM [2]	8	8	1	1	✓
Christina Ong	8	8	1	–	✓
Peter Ong	8	7	1	1	✓
Teo Swee Lian [3]	7	7	1	1	✓
Fang Ai Lian [4]	3	3	–	–	✓
Kai Nargolwala [4]	3	3	–	–	✓

Notes:

(1) Refers to meetings held/attended while each Director was in office.
(2) Member of the Order of Australia.
(3) Ms Teo Swee Lian was appointed to the Board on 13 April 2015.
(4) Mrs Fang Ai Lian and Mr Kai Nargolwala retired from the Board following the conclusion of the AGM on 21 July 2015.

Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

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

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

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

Material items that require Board approval include:

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

Board meetings

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. At every scheduled meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). The non-executive Directors meet separately at least once a year without any executives present. The Board holds approximately eight scheduled meetings each year, and may also hold ad hoc meetings as and when warranted by particular circumstances. Nine Board meetings were held in the financial year ended 31 March 2016. Attendance at Board or Board Committee meetings via telephone or video conference is permitted by Singtel's Constitution.

Typically, at least one Board meeting a year is held overseas, in a country where the Group has a significant investment or has an interest in investing, or where Board members can be exposed to new technology relevant to the Group's growth strategy. On such occasions, the Board may meet with local business leaders and government officials so as to help Board members gain greater insight into such countries. The Board also meets Singtel's partners and key customers in those countries to develop stronger relationships with such partners and customers. Singtel also arranges for the Board to meet with experts in the technology/digital space to enhance their knowledge in new growth areas and enable the Board to make more informed decisions. In 2015, the Board met with the board and management of Singtel's associate, Globe Telecom, Inc. in Manila, and also went to Israel to meet with business associates there, as well as to visit new technology companies and explore emerging technologies relevant to the Group's business. Board meetings may include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives.

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

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2016 is set out on page 54. Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Chairman or the Group CEO.

Director development/training

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

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

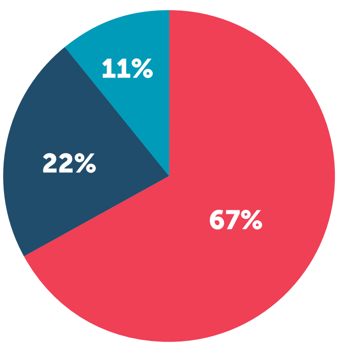
Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance and the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

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

During the financial year ended 31 March 2016, the development/training programmes for Directors included the following:

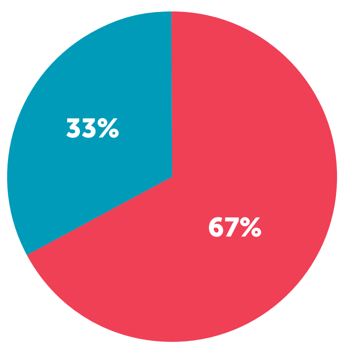
- The Directors participated in an annual offsite workshop with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group.
- The Board met with the board and management of Singtel's associate, Globe Telecom, Inc. in Manila during which the Board was updated on Globe's business and its operating environment. The Board also had the opportunity to meet with business leaders there.
- Members of the Board went to Israel to meet with business associates there, as well as to visit new technology companies and explore emerging technologies relevant to the Group's business.
- The Board was briefed on regulatory changes, such as changes to the Companies Act and the SGX Listing Manual.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditor to Audit Committee members on new accounting standards. Audit Committee members also attended relevant seminars such as those organised by the Singapore Institute of Directors to keep abreast of developments relevant to the Audit Committee's role.

Board Composition, Diversity and Balance



Independence

- Independent, non-executive directors
- Non-independent, non-executive directors
- Executive director/Group CEO



Gender Diversity

- Male directors
- Female directors

Corporate Governance

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

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

Board diversity

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

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

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

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

Independence

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

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

Ms Chua Sock Koong, Singtel's Group CEO, Mr Simon Israel, Chairman of the Singtel Board, and Mr Peter Ong are the only non-independent Directors. All other members of the Board are considered to be independent Directors.

The Board noted that while Mrs Christina Ong is a partner at Allen & Gledhill LLP (A&G) and A&G provides legal services to, and receives fees from, the Singtel Group, she has an interest of less than 10% in A&G. Mrs Ong is also a non-executive independent director of SIA Engineering Company Limited (SIAEC), a subsidiary of Temasek Holdings (Private) Limited (Temasek). Temasek has an interest of approximately 51% in Singtel. The SIAEC group obtains telecommunication and telecommunication-related services from, and makes payments to, the Singtel Group in the ordinary course of business. Mrs Ong is also a member of the Singapore Tourism Board (STB) and a non-executive independent director of Oversea-Chinese Banking Corporation (OCBC). STB and the OCBC group obtain telecommunication and telecommunication-related services from, and make payments to, the Singtel Group. The Board is of the view that these relationships do not affect Mrs Christina Ong's ability and willingness to operate independently.

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

The Board also noted that Mr Chin is the deputy chairman of the Housing and Development Board (HDB) and the chairman of NTUC Fairprice Co-operative Limited (NTUC). HDB and NTUC obtain services from, and make payments to, the Singtel Group in the ordinary course of business. The Singtel Group also obtains services from, and makes payments to, NTUC in the ordinary course of business. The Board is of the view that these relationships do not affect Mr Chin's ability and willingness to operate independently.

The Board noted that Mr Venky Ganesan is a director of BitSight Technologies, Inc. Singtel's subsidiary, Singtel Innov8 Pte Ltd, acquired an interest of less than 0.5% in BitSight Technologies, Inc. for USD0.5 million in October 2015. The Board is of the view that this relationship does not affect Mr Ganesan's ability and willingness to operate independently.

The profile of each Director and other relevant information are set out under "Board of Directors" from pages 13 to 17.

The Chairman and the Group CEO

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

Role of the Chairman

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

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

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

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

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

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

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

Role of the Lead Independent Director

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

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

Corporate Governance

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

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

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

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

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

Directors must ensure that they are able to give sufficient time and attention to the affairs of Singtel and, as part of its review process, the CGNC decides whether or not a Director is able to do so and whether he has been adequately carrying out his duties as a Director of Singtel. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than five directorships in public listed companies. However, the Board recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate. The guideline includes the following:

- In support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of other commitments and an indication of the time involved.
- Non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

The Company's Constitution provides that a Director must retire from office at the third Annual General Meeting (AGM) after the Director was elected or last re-elected. A retiring Director is eligible for re-election by Singtel shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than three Directors would retire pursuant to the requirements set out above, the additional Directors to retire at that AGM shall be those who have been longest in office since their last re-election or appointment. The Group CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

Board Performance
Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. During the financial year ended 31 March 2016, as in previous years, an independent external consultant was appointed to facilitate this process. The 2016 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core

Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

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

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

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

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

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

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

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

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

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 March 2016 is set out on page 64.

Audit Committee

MEMBERSHIP

Bobby Chin, committee chairman and independent non-executive Director
Christina Ong, independent non-executive Director
Peter Ong, non-executive Director
Teo Swee Lian, independent non-executive Director (appointed to the AC with effect from 13 April 2015)

Note: Fang Ai Lian retired as a Director and AC chairman following the conclusion of the AGM on 21 July 2015.

KEY OBJECTIVE

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

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

Corporate Governance

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

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

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

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

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

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

The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Corporate Governance and Nominations Committee

MEMBERSHIP

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

Note: Kai Nargolwala retired as a Director and CGNC chairman following the conclusion of the AGM on 21 July 2015.

KEY OBJECTIVES

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

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

The main activities of the CGNC are outlined in the commentaries on “Board Composition, Diversity and Balance”, “Board Membership” and “Board Performance” from pages 56 to 60.

The CGNC met three times during the financial year ended 31 March 2016, and also approved various matters by written resolution.

Executive Resource and Compensation Committee

MEMBERSHIP

Peter Mason AM, committee chairman and independent non-executive Director
Simon Israel, non-executive Chairman of the Singtel Board
Teo Swee Lian, independent non-executive Director (appointed to the ERCC with effect from 13 April 2015)

Notes:
Kai Nargolwala retired as a Director and ERCC Chairman following the conclusion of the AGM on 21 July 2015.

Fang Ai Lian retired as a Director and ERCC member following the conclusion of the AGM on 21 July 2015.

KEY OBJECTIVES

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

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

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

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

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

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

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

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

The Group CEO, who is not a member of the ERCC, may attend meetings of the ERCC but does not attend discussions relating to her own performance and remuneration. Singtel’s remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 68 to 74.

The ERCC met six times during the financial year ended 31 March 2016.

Corporate Governance

Finance and Investment Committee

MEMBERSHIP

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

Note: Kai Nargolwala retired as a Director and FIC member following the conclusion of the AGM on 21 July 2015.

KEY OBJECTIVES

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

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

The FIC met five times during the financial year ended 31 March 2016.

Risk Committee

MEMBERSHIP

Bobby Chin, committee chairman and independent non-executive Director
Peter Ong, non-executive Director
Teo Swee Lian, independent non-executive Director (appointed to the RC with effect from 13 April 2015)

KEY OBJECTIVES

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

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

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

The RC meets at least three times a year, with additional meetings to be convened as deemed necessary by the chairman of the RC. The RC met three times during the financial year ended 31 March 2016.

Management Committee

In addition to the five Board Committees and the two advisory bodies, Singtel has a Management Committee that comprises the Group CEO, CEO Group Enterprise, CEO Consumer Australia, CEO Consumer Singapore, Group Chief Corporate Officer (Group CCO), Group CFO, Group Chief Human Resources Officer (Group CHRO) and Group Chief Information Officer (Group CIO).

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

Advisory Committee/Panel

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

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

The TAP advises the Board in the area of digital technology. The TAP comprises distinguished international members and is chaired by Mr Koh Boon Hwee. The other members of the Panel are Messrs Venky Ganesan, Doug Haynes, Lim Chuan Poh, Jonathan Miller and Erez Ofer.

Note: Mr Gregory Becker stepped down as a member of the TAP in March 2016.

DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2016 [1]

	Audit Committee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Risk Committee	
Name of Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	–	–	3	3	6	6	5	5	–	–
Chua Sock Koong [2]	4	4	3	3	6	6	5	5	3	3
Bobby Chin	4	4	–	–	–	–	–	–	3	3
Venky Ganesan	–	–	–	–	–	–	5	5	–	–
Low Check Kian	–	–	3	3	–	–	5	5	–	–
Peter Mason AM	–	–	–	–	6	6	–	–	–	–
Christina Ong	4	4	3	3	–	–	–	–	–	–
Peter Ong	4	4	–	–	–	–	–	–	3	3
Teo Swee Lian [3]	4	4	–	–	5	5	–	–	3	3
Fang Ai Lian [4]	1	1	–	–	3	3	–	–	–	–
Kai Nargolwala [4]	–	–	1	1	3	3	1	1	–	–

Notes:

(1) Refers to meetings held/attended while each Director was in office.
(2) Ms Chua Sock Koong is not a member of the committees, although she attended meetings of those committees as appropriate.
(3) Ms Teo Swee Lian was appointed to the Board and as a member of the Audit Committee, the Executive Resource and Compensation Committee and the Risk Committee on 13 April 2015.
(4) Mrs Fang Ai Lian and Mr Kai Nargolwala retired from the Singtel Board following the conclusion of the AGM on 21 July 2015.

ACCOUNTABILITY AND AUDIT

Accountability

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

For the financial year ended 31 March 2016, Singtel's Group CEO and Group CFO have provided a written confirmation to the Board on the integrity of Singtel's financial statements and on the adequacy and effectiveness of Singtel's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks. This certification covers Singtel and the subsidiaries that are under Singtel's management control.

Internal Audit (IA)

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

Singtel IA adopts a risk-based approach in formulating the annual audit plan that aligns its activities to the key strategies and risks across the Group's business. This plan is reviewed and approved by the AC. The reviews performed by Singtel IA are aimed at assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the overall risk framework of the Group. Singtel IA's reviews also focus on compliance with Singtel's policies, procedures and regulatory responsibilities, performed in the context of financial and operational, revenue assurance and information systems reviews.

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

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

External Auditor

The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at Singtel's AGM. The external auditor holds office until its removal or resignation. The AC assesses the external auditor based on factors such as

Corporate Governance

the performance and quality of its audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement, and the current Deloitte & Touche LLP audit partner for Singtel took over from the previous audit partner with effect from 26 July 2013. Singtel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to the appointment of its auditor.

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

Fees for Deloitte & Touche services for the financial year ended 31 March 2016	(S$ Mil)
Audit services	4.5
Non-audit services (including audit-related services)	0.7

Risk Management and Internal Controls
The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2016, the Risk Committee (RC) assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

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

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

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

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

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

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

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

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2016 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

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

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 83 to 90.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Communication with Shareholders

Singtel remains committed to delivering high standards of corporate disclosure and transparency through an open and non-discriminatory approach towards our communications with shareholders, the investment community and other key stakeholders. Singtel provides timely, regular and relevant information regarding the Group's performance, progress and prospects to aid shareholders and investors in their investment decisions.

Over the year, Singtel has won recognition from leading business journals and investor associations for its strong emphasis and proactive approach to shareholder communication and engagement.

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

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

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

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

Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 400 investors in 230 meetings and conference calls in Singapore, London, New York and other global financial centres. These events enable us to share the Group's business strategy, operational and financial performance and business prospects. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

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

Shareholder Meetings

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

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

Corporate Governance

Electronic poll voting at Singtel general meetings

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

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

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

Securities Transactions

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

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

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

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

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

Continuous Disclosure

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

No Material Contracts

Since the end of the previous financial year ended 31 March 2015, no material contracts involving the interest of the Group CEO, any Director, or the controlling shareholder, Temasek Holdings (Private) Limited, has been entered into by Singtel or any of its subsidiaries, and no such contract subsisted as at 31 March 2016, save as may be disclosed on SGXNet or herein.

Interested Person Transactions

As required by the SGX Listing Rules, details of interested person transactions (IPT) entered into by the Group are disclosed in this Annual Report on page 222. Singtel Internal Audit regularly reviews the IPT entered into by the Singtel Group to verify the accuracy and completeness of the IPT disclosure and to determine whether the IPT reporting requirements under the SGX listing rules have been adhered to. The report is submitted to the Audit Committee for review. Under the SGX listing rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders.

The Board has adopted a policy that there should be no loans to Directors, except for loans to fund expenditure to defend Directors in legal or regulatory proceedings, as permitted under the Companies Act. As at 31 March 2016, there were no loans granted to Directors.

Codes of Conduct and Practice

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

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

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

Whistle-Blower Policy

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

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

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

REMUNERATION

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

Remuneration of Non-Executive Directors

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

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

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

Corporate Governance

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

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

Financial Year Ended 31 March 2016

For the financial year ended 31 March 2016, the Chairman received an all-inclusive fee of S$960,000 (save for car-related benefits). The fee was paid approximately two-thirds in cash and approximately one-third in Singtel shares. No separate retainer fees, committee fees, attendance fees or travel allowance were paid to the Chairman.

The fees for non-executive Directors (other than the Chairman) comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings and a travel allowance for Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings that did not coincide with Board meetings. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2016 was the same as the framework for the previous financial year and is set out below:

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

The aggregate Directors' fees paid to non-executive Directors for the financial year ended 31 March 2016 was S$2,430,503 (details are set out in the table below).

Name of Director	Director's Fees (S$)
Simon Israel [1]	960,000
Bobby Chin	202,406
Venky Ganesan [2]	219,000
Low Check Kian [3]	179,962
Peter Mason AM [4]	198,925
Christina Ong	173,000
Peter Ong [5]	175,000
Teo Swee Lian [6]	193,500
Fang Ai Lian [7]	59,758
Kai Nargolwala [8]	68,952
Total	**2,430,503**

Notes:

(1) In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S$21,879).

(2) In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US$50,000 for the financial year ended 31 March 2016 in his capacity as a member of the Technology Advisory Panel. Mr Ganesan also received options in respect of 750,718 ordinary shares in Amobee Group Pte. Ltd. (AGPL), a wholly-owned subsidiary of Singtel, for the financial year ended 31 March 2016 in his capacity as a director of Amobee, Inc., a wholly-owned subsidiary of AGPL.

(3) In addition to the Director's fees set out above, Mr Low Check Kian received aggregate fees of S$35,000 for the financial year ended 31 March 2016 in his capacity as a director of Singtel Innov8 Pte. Ltd.

(4) In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S$35,000 in his capacity as a member of the Optus Advisory Committee for the financial year ended 31 March 2016.

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

(6) Ms Teo Swee Lian was appointed to the Board and as a member of the Audit Committee, the Executive Resource and Compensation Committee and the Risk Committee on 13 April 2015.

(7) Mrs Fang Ai Lian retired as a Director and member of the Audit Committee and the Executive Resource and Compensation Committee following the conclusion of the AGM on 21 July 2015.

(8) Mr Kai Nargolwala retired as a Director and member of the Corporate Governance and Nominations Committee, the Executive Resource and Compensation Committee and the Finance and Investment Committee following the conclusion of the AGM on 21 July 2015.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S$50,000 during the financial year ended 31 March 2016.

Financial Year Ending 31 March 2017

For the financial year ending 31 March 2017, it is proposed that aggregate fees of up to S$2,950,000 be paid to the Directors, which is the same as the amount approved by shareholders for the financial year ended 31 March 2016. The proposed framework for Directors' fees for the financial year ending 31 March 2017 is the same as that for the financial year ended 31 March 2016.

Remuneration of Executive Director and Senior Management

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

ALIGNMENT WITH SHAREHOLDERS' INTERESTS

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

COMPETITIVE REMUNERATION

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

PAY-FOR-PERFORMANCE

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

EFFECTIVE IMPLEMENTATION

- Meet rigorous corporate governance requirements

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

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

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

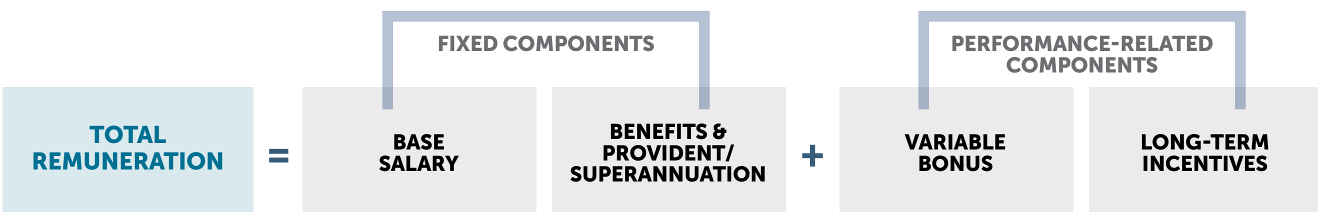
The ERCC has the discretion not to award incentives in any year if an executive is involved in misconduct or fraud resulting in financial loss to the company.

Remuneration Structure

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

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

The key remuneration components for Senior Management are summarised below:



Corporate Governance

Fixed Components

BASE SALARY

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

Policy

This is approved by the Board based on ERCC's recommendation and reviewed annually against:

(i) peers of similar financial size and complexity to the Group;

(ii) pay and conditions across the Group; and

(iii) the executive's contribution and experience.

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

Performance Linkage

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

BENEFITS & PROVIDENT/SUPERANNUATION FUND

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

Policy

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

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

Performance Linkage

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

Performance-related Components

VARIABLE BONUS

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

Policy

Performance Bonus

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

Value Sharing Bonus

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

Performance Linkage

Performance Bonus

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

Value Sharing Bonus

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

LONG-TERM INCENTIVES

Long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. These are equity awards provisionally granted to Senior Management based on performance for the year ended 31 March 2016.

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

Policy

The number of performance shares (RSA and PSA) awarded is determined using the valuation of the shares based on a Monte-Carlo simulation. The share awards are conditional upon the achievement of predetermined performance targets over the performance period. The performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives. These performance conditions and targets are approved by the ERCC at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC.

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

Special provisions for vesting and lapsing of awards apply for events such as the termination of employment, misconduct, retirement and any other events approved by the ERCC. Upon occurrence of any of the events, the ERCC will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee.

Singtel employees are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested awards under Singtel's equity-based remuneration schemes.

Performance Linkage

Restricted Share Award (RSA)

The RSA has a two-year performance period from 1 April 2016 to 31 March 2018. Vesting of shares is dependent on the following performance conditions:

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

Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2016 to 31 March 2019. Vesting of shares is dependent on the following performance conditions:

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

The details of the vesting schedule for RSA and PSA granted in June 2016 are shown in Figure A and Figure B respectively.

Figure A: Restricted Share Award (RSA) Vesting Schedule

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

Note:

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

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance (2)	**Vesting Level** (3)	**Performance**	**Vesting Level** (3)
–	–	Stretch	200%
≥ 90th percentile	100%	Target	100%
50th – 59th percentile	50%	Threshold	30%
< 50th percentile	0%	Below Threshold	0%

Notes:

(2) Percentile ranking performance against the component stocks of the MSCI Asia Pacific Telecommunications Index.

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

Corporate Governance

Remuneration of Key Management and Senior Management
For the financial year ended 31 March 2016, there were no termination, retirement and post-employment benefits granted to Directors and Key Management.

Remuneration of Executive Director
Summary compensation table for Group CEO (Chua Sock Koong) for the financial year ended 31 March 2016:

Name		Fixed Remuneration [1]	Variable Bonus [2]	Provident Fund [3]	Benefits [4]	Total Cash & Benefits [5]
Chua Sock Koong	Earned	S$1,647,096	S$4,657,661	S$10,740	S$76,316	S$6,391,813
	Paid Out		S$3,816,775			S$5,550,927

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2016 are as follows:

	Restricted Share Award (RSA) [6]				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2013 Awards	98,060	127,478	–	2-Jun-15	63,739
				1-Jun-16	63,739
2014 Awards	102,097	132,727	–	1-Jun-16	66,364
				1-Jun-17	66,363 [7]
2015 Awards [8]	84,060			1-Jun-17	
				1-Jun-18	
2016 Awards [8] [9]	201,331			1-Jun-18	
				3-Jun-19	

	Performance Share Award (PSA) [6]				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2013 Awards	1,418,169	212,726	1,205,443	1-Jun-16	212,726
2014 Awards [8]	1,422,663			1-Jun-17	
2015 Awards [8]	1,658,980			1-Jun-18	
2016 Awards [8] [9]	1,694,657			3-Jun-19	

Notes:

(1) Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2016.

(2) Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 71. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2016. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2016.

(3) Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.

(4) Benefits are stated on the basis of direct costs to the company and include car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership.

(5) Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2016. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2016.

(6) Long-term Incentives are awarded in the form of Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012.

(7) The second tranche of the vested 2014 RSA will be released in June 2017, subject to continued service of the employee.

(8) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

(9) The 2016 grants of RSA and PSA were made in June 2016 for performance for the financial year ended 31 March 2016. The per unit fair values of the RSA and PSA are S$3.308 and S$1.572 respectively. The performance conditions for the awards are detailed on page 72.

Remuneration of Other Key Management and Senior Management

Summary compensation table for the other top five Key Management and Senior Management for the financial year ended 31 March 2016:

Name		Fixed Remuneration [1]	Variable Bonus [2]	Provident Fund [3]	Benefits [4]	Total Cash & Benefits [5]	Restricted Share Award (RSA) [6] (no. of shares)	Performance Share Award (PSA) [6] (no. of shares)
The following are in alphabetical order:								
Bill Chang CEO Group Enterprise	Earned	S$909,996	S$2,341,249	S$14,960	S$66,072	S$3,332,277	90,690	763,359
	Paid Out		S$1,698,580			S$2,689,608		
Hui Weng Cheong [7] COO, AIS	Earned	S$663,000	S$1,198,625	S$7,570	S$446,002	S$2,315,197	74,819	367,367
	Paid Out		S$1,080,922			S$2,197,494		
Allen Lew CEO Consumer Australia	Earned	A$1,540,933	A$3,451,390	S$7,992	A$490,712	A$5,490,884	111,851	941,476
	Paid Out		A$3,366,356			A$5,405,851		
Jeann Low Group Chief Corporate Officer	Earned	S$909,996	S$1,403,332	S$13,540	S$62,163	S$2,389,031	66,506	559,797
	Paid Out		S$1,327,711			S$2,313,410		
Yuen Kuan Moon CEO Consumer Singapore	Earned	S$720,000	S$1,470,000	S$14,960	S$61,948	S$2,266,908	81,621	400,764
	Paid Out		S$1,093,265			S$1,890,173		
Total	**Earned**	**S$4,771,756**	**S$9,926,931**	**S$59,022**	**S$1,135,759**	**S$15,893,468**	**425,487**	**3,032,763**
	Paid Out		**S$8,627,634**			**S$14,594,171**		

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2016 are as follows:

	Restricted Share Award (RSA) Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2013 Awards	205,671	267,375	–	2-Jun-15	133,689
				1-Jun-16	133,686
2014 Awards	228,654	297,253	–	1-Jun-16	148,628
				1-Jun-17	148,625 [8]
2015 Awards [9]	188,260			1-Jun-17	
				1-Jun-18	

	Performance Share Award (PSA) Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2013 Awards	2,281,388	342,211	1,939,177	1-Jun-16	342,211
2014 Awards [9]	2,421,321			1-Jun-17	
2015 Awards [9]	2,823,526			1-Jun-18	

Notes:

(1) Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2016.

(2) Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 71. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2016. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2016.

(3) Provident Fund in Singapore represents payments in respect of company contributions to the Singapore Central Provident Fund.

(4) Benefits are stated on the basis of direct costs to the company and include overseas assignment benefits, tax equalisation, car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership, where applicable.

(5) Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2016. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2016.

(6) Long-term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012 were made in June 2016 for performance for the financial year ended 31 March 2016. The per unit fair values of the RSA and PSA are S$3.308 and S$1.572 respectively. The performance conditions for the awards are detailed on page 72.

(7) Benefits for Mr Hui Weng Cheong include tax equalisation in relation to his assignment to AIS, Thailand.

(8) The second tranche of the vested 2014 RSA will be released in June 2017, subject to continued service of the employee.

(9) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

Corporate Governance

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

Code of Corporate Governance 2012

GUIDELINES FOR DISCLOSURE

General

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

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

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

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

A: Not applicable.

Board Responsibility
Guideline 1.5

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

A: Material items that require Board approval include:

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

Members of the Board
Guideline 2.6

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

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

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

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

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

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

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

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

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

Guideline 4.6

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

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

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

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

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

Guideline 1.6

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

A: Yes, new directors are given formal training.

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

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

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

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

During the financial year ended 31 March 2016, the development/training programmes for Directors included the following:

Corporate Governance

- The Directors participated in an annual offsite workshop with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group.
- The Board met with the board and management of Singtel's associate, Globe Telecom, Inc. in Manila during which the Board was updated on Globe's business and its operating environment. The Board also had the opportunity to meet with business leaders there.
- Members of the Board went to Israel to meet with business associates there, as well as to visit new technology companies and explore emerging technologies relevant to the Group's business.
- The Board was briefed on regulatory changes, such as changes to the Companies Act and the SGX Listing Manual.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditors to Audit Committee members on new accounting standards. Audit Committee members also attended relevant seminars such as those organised by the Singapore Institute of Directors to keep abreast of developments relevant to the Audit Committee's role.

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

Guideline 4.4

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

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

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

A: Not applicable.

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

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

Board Evaluation
Guideline 5.1

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

A: Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. During the financial year ended 31 March 2016, as in previous years, an independent external consultant was appointed to facilitate this process. The 2016 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board Chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

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

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

A: Yes.

Independence of Directors
Guideline 2.1

Q: Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

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

Guideline 2.3

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

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

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

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

Guideline 2.4

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

A: No.

Disclosure on Remuneration
Guideline 9.2

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

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

Guideline 9.3

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

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

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

A: The aggregate remuneration, comprising total cash and benefits, paid to the top five key management personnel and Senior Management for FY2016 amounted to S$14,594,171, as indicated on page 74.

Guideline 9.4

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

A: No.

Guideline 9.6

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

Corporate Governance

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

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

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

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

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

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

Risk Management and Internal Controls
Guideline 6.1

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

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

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

Guideline 13.1

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

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

Guideline 11.3

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

A: Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2016 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

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

Q: (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?

A: Yes.

Guideline 12.6

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

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

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

A: Not applicable.

Communication with Shareholders
Guideline 15.4

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

A: Yes, Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 400 investors in 230 meetings and conference calls in Singapore, London, New York and other global financial centres. These events enable us to share the Group's business strategy, operational and financial performance and business prospects. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

Singtel strongly encourages and supports shareholder participation at general meetings. At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. All the Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditor also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's reports.

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

A: Yes. Singtel has an Investor Relations department.

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

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

Guideline 15.5

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

A: Not applicable.

Investor Relations

1 **Help investors make informed and timely decisions about their Singtel securities**

2 **Foster regular two-way communication with investors using various touch points**

3 **Maintain leadership in corporate governance standards; champion integrity, transparency and accountability to investors**

PROACTIVE COMMUNICATION WITH THE INVESTMENT COMMUNITY

During the fourth year of our business transformation, we continued to communicate the value of strategic initiatives we had taken in the marketplace. With a good mix of qualitative and quantitative information, our discussions helped investors to better assess our performance and disclosures.

The management and Investor Relations (IR) team engaged more than 400 investors in 230 meetings and conference calls to discuss the Group's business strategy, operational and financial performance and prospects. We also participated in local and overseas investor conferences and roadshows, covering Hong Kong, Kuala Lumpur, the US and Europe. These platforms are an efficient and effective means of promoting Singtel and facilitating communication with existing and potential new investors.

In addition, we held briefings for major corporate announcements, such as our acquisition of Trustwave in 2015. The same messages about the acquisition were also consistently communicated during our regular calls and investor conferences. We received positive feedback from investors, who generally agreed that the acquisition boosts our cloud-based services and brings synergies to our enterprise business.

To give investors a better understanding of our business and operations, we hold an annual Investor Day. On this day, senior management of Singtel and Optus, as well as our regional mobile associates, share detailed insights into their businesses and respond to queries. The event typically attracts more than 50 investors and analysts, who appreciate the open interaction with management across the Group's entities, as well as the opportunity to gain insights from industry leaders.

We also organise site visits to our business facilities, giving investors a first-hand experience of our operations and technical capabilities. This year, investors visited the Singtel-FireEye Advanced Security Operations Centre and NCS Centre for Solutions for Urbanised Future, which showcased our cyber security capabilities and Smart Nation solutions respectively.

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

Retail investors are also an important part of our outreach efforts and the IR team continues to engage them outside of our general meetings. We have renewed our long-term sponsorship of the Securities Investors Association (Singapore) (SIAS) Investor Education Programme, hosting events such as the annual Singtel-SIAS dialogue. In addition, we address the concerns of retail investors through email and telephone enquiries.

Each year, we commission an independent study to gather investors' perceptions of our business. The study, comprising in-depth interviews with approximately 50 institutional investors and research analysts, gives our

Board and management a better understanding of investors' views and concerns. It also helps the IR team identify areas for improvement in communications and disclosures. In the latest study, investors commented that they appreciate our geographically diverse operations and the balance between yield and growth characteristics. They also gave feedback on Singtel's move into the digital space and the potential for mobile data in regional markets.

As good corporate governance also plays a vital role in shaping investor perceptions of the integrity, transparency, accountability and efficiency of a company, we regularly engage with corporate governance specialists. This allows us to keep abreast of the latest developments and ensures that we adopt best practices in key areas such as disclosure, board structure, shareholder rights and remuneration.

INVESTOR RELATIONS RESOURCES

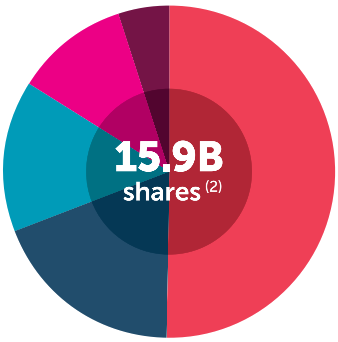
The Singtel IR website is the primary source for corporate information, financial data and significant business developments for the investment community. All new, material announcements are made available on the IR website immediately after they are released on the Singapore Exchange to ensure fair,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

During our quarterly financial results announcements, we issue a comprehensive set of materials, including detailed financial statements, management discussion and analysis and presentation slides. Our management also hosts an investor conference call for analysts and investors on the day of our results announcement. A recording of the investor presentation webcast is posted on the IR website on the day we release our results. This is followed by a transcript of the conference call on the next work day.

SHAREHOLDER INFORMATION

As at 31 March 2016, Temasek Holdings (Private) Limited remained our largest shareholder, with 51% of issued share capital. Other Singapore shareholders held approximately 19%. In terms of geographical distribution, the US/Canada and Europe accounted for approximately 15% and 11% of issued share capital respectively.

Share Ownership by Geography [1]



Temasek Holdings	51%
Singapore ex Temasek	19%
US/Canada	15%
Europe	11%
Others	5%

Notes:

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

(2) As at 31 March 2016.

IR CALENDAR EVENTS

Apr 2015
- Investor Meeting with Chairman and Board Members
- Conference Calls: Trustwave Acquisition

May 2015
- Non-deal Equity Roadshows, Singapore, Europe and the US

Jun 2015
- Singtel Investor Day, Singapore
- Non-deal Equity Roadshows, Kuala Lumpur

Jul 2015
- 23rd Annual General Meeting, Singapore

Aug 2015
- Non-deal Equity Roadshows, Singapore

Sep 2015
- CLSA Investors Forum, Hong Kong

Nov 2015
- Morgan Stanley Asia Pacific Summit, Singapore
- Video Conferences with US and European Equity Investors
- Non-deal Equity Roadshows, Singapore

Feb 2016
- Non-deal Equity Roadshows, Singapore

Risk Management Philosophy and Approach

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

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

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

Governance Structure for Managing Risks

THE BOARD

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

RISK COMMITTEE

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

AUDIT COMMITTEE

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

MANAGEMENT COMMITTEE

- Implements risk management practices within all business units and functions

RISK MANAGEMENT COMMITTEE

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

Our Risk Philosophy

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

RISK CENTRIC CULTURE

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

STRONG CORPORATE GOVERNANCE STRUCTURE

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

PROACTIVE RISK MANAGEMENT PROCESS

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

Risk Appetite

The Board has approved the following Risk Appetite Statement:

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

Risk Management

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

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

In addition, we have in place a formal programme of risk and control self-assessment where line personnel are involved in the ongoing assessment and improvement of risk management and controls. The effectiveness of our risk management policies and processes is reviewed on a regular basis and, where necessary, improved. Independent reviews are conducted by third-party consultants regularly to ensure the appropriateness of the risk management framework.

Risk Management Philosophy and Approach

The consultants also report key risks to the Board, as well as provide periodic support and input when undertaking specific risk assessments. Furthermore, the risk management processes facilitate alignment of our strategy and annual operating plan with the management of key risks.

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

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

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

Risk Factors

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

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

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

ECONOMIC RISKS

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, information technology (IT) and related services, digital services, and hence, on our financial performance and operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. These and other related events have had a significant impact on economic growth as a whole and consequently, on consumer and business demand for telecommunications, IT and related services, and digital services.

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

POLITICAL RISKS

Some of the countries in which Group Consumer operates have experienced or continue to experience political instability.

The continuation or re-emergence of such political instability in the future could have a material adverse effect on economic or social conditions in those countries, as well as on the ownership, control and condition of our assets in those areas.

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

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

REGULATORY RISKS AND LITIGATION RISKS

Regulatory Risks

Our businesses depend on licences issued by government authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, the revocation of licences. Our global operations are subject to extensive government regulations, which may impact or limit our flexibility to respond to market conditions, competition, new technologies or changes in cost structures. Governments may alter their policies relating to the telecommunications, IT, multimedia and related industries, as well as the regulatory environment (including taxation) in which we operate. Such changes could have a material adverse effect on our financial performance and operations.

Our overseas investments are also subject to the risk of imposition of laws and regulations restricting the level, percentage and manner of foreign ownership and investment, as well as the risk of nationalisation. Any of these factors can materially and adversely affect our overseas investments.

Consumer Australia, Consumer Singapore and Group Enterprise are impacted by the implementation of national broadband networks in both Australia and Singapore. In Singapore, the Infocomm Development Authority of Singapore (IDA) has, in its implementation of the Next Generation Nationwide Broadband Network (Next Gen NBN), designed a structure to level the playing field to make the benefits of the Next Gen NBN available to all industry players. This has significantly altered the existing cost model of the industry and increased the level of competition from new entrants. In Australia, the government is currently undertaking a significant reform of the fixed-line telecommunications sector, including the rollout of a national broadband network (NBN) to be operated on a wholesale-only open access basis. It is possible that the Australian government's regulatory reforms, including legislation and the deployed NBN and commercial transactions relating to the NBN, could ultimately lead to a sub-optimal or negative outcome for Optus.

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

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

Access to Spectrum

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

Litigation Risks

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

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

COMPETITIVE RISKS

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

Group Consumer Business

The telecommunications market in Singapore is highly competitive. As new players enter the market

Risk Management Philosophy and Approach

and regulation requires Singtel in Singapore to allow our competitors to have access to our networks, our market share in some segments and prices for certain products and services have declined. These trends may continue and intensify.

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

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

Our business models and profits are also challenged by disintermediation in the telecommunications industry by handset providers and non-traditional telecommunications service providers who provide multimedia content, applications and services directly on demand.

Group Consumer is focused on driving efficiencies and innovation via new technologies, products and services, processes and business models to meet evolving customer needs and strengthen customer loyalty.

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

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

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

Group Digital Life aspires to become a significant global player in these areas by delivering distinctive products and services in the target markets and launching them quickly to capture market share. We will continue to harness our valuable assets, such as extensive customer knowledge, touch points, intelligent networks and the scale of our customer base.

EXPANSION RISKS

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

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

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

The business strategies of some of our regional mobile associates involve expanding operations outside their home countries. These associates may enter into joint ventures and other arrangements with other parties. Such joint ventures and other arrangements involve risks, including, but not limited to, the possibility that the joint venture or investment partner may have economic or business interests or goals that are not consistent with those of the associates. There is no guarantee that the regional mobile associates can generate total synergies and successfully build a competitive regional footprint.

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

PROJECT RISKS

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

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

Group Enterprise is a major IT service provider to governments and large enterprises in the region. We face potential project execution risks when projects are not accurately scoped or the quality of service performance is not up to customers' specifications, resulting in over-commitments to customers, as well as inadequate resource allocation and scheduling. These can lead to cost overruns, project delays and losses.

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

NEW BUSINESS RISKS

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

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

TECHNOLOGY RISKS

Rapid and significant technological changes are typical in the telecommunications and ICT industry. These changes may materially affect Group Consumer and Group Enterprise's capital expenditure and operating costs, as well as the demand for products and services offered by our business divisions.

Rapid technological advances may leave us with infrastructure and systems that are technically obsolete before the end of their expected useful life. Technological changes may also reduce costs and expand the capacities of new infrastructure. In the emerging markets in which our associates operate, regulatory practices, including spectrum availability, may not necessarily synchronise with the technology progression path and the market demand for new technologies. These changes may require us to replace and upgrade our network infrastructure to remain competitive and, as a result, incur additional capital expenditure.

Each business group faces the ongoing risk of market entry by new operators and service providers (including non-telecommunications players) that, by using newer or lower-cost technologies, may succeed in rapidly attracting customers away from established market participants.

Group Enterprise may incur substantial development expenditure to gain access to related or enabling technologies to pursue new growth opportunities in the ICT industry. The challenge is to modify our network infrastructure in a timely and cost-effective manner to facilitate such implementation, failing which this could adversely affect our quality of service, financial condition and results of operations.

We continue to invest in upgrading, modernising and equipping our systems with new capabilities to ensure we continue to deliver innovative and relevant services to our customers.

VENDOR/SUPPLY CHAIN RISKS

We rely on third-party vendors and their extended supply chain in many aspects of our business for various purposes, including, but not limited to, the construction of our network, the supply of handsets and equipment, systems and application development services, content provision and customer acquisition. Accordingly, our operations may be affected by third-party vendors or their supply chain failing to perform their obligations. In addition, the industry is dominated by a few key vendors for such services and equipment, and any failure or refusal by a key vendor to provide such services or equipment, or any consolidation of the industry, may significantly affect our business and operations.

Risk Management Philosophy and Approach

We monitor our relationships with key vendors closely and develop new relationships to mitigate supply risks. We have in place a Sustainable Supply Chain strategy and framework to manage risks that may exist in our extended supply chain.

INFORMATION TECHNOLOGY RISKS

As our businesses and operations rely heavily on information technology, our Management has established the IT & Network Security Committee to provide oversight of all IT and network security risks, including cyber security threats and data privacy breaches. The committee comprises members from the various IT and network domains, meets bi-monthly and reports directly to the Risk Management Committee. The committee develops appropriate policies and frameworks to ensure information system security, reviews the projects and initiatives on IT and network security, and reviews any IT security incidents.

We have established a Group Information Security Policy for managing risks associated with information security in a holistic manner. The policy is developed based on industry best practices and is aligned with international standards such as ISO 27001. The policy covers various aspects of IT risk governance, including change management, user access management, database configuration standards and disaster recovery planning, and provides the cornerstone for driving robust IT security controls across the Group.

We have also established a Project Management Methodology to ensure that new systems are developed with appropriate IT security controls and are subject to rigorous acceptance tests, including penetration testing, prior to implementation.

CYBER SECURITY RISKS

The scale and level of sophistication of cyber security threats have increased especially in recent times. We are exposed to the risks of cyber attacks that can cause disruptions to the network and services provided to customers, and cyber thefts of sensitive and/or confidential information, resulting in litigations from customers and/or regulatory fines and penalties.

To combat these threats, we adopt a holistic approach by keeping abreast of the threat landscape and business environment as well as implementing a multi-layered security framework to ensure there are relevant preventive, detective and recovery measures.

We have developed a security-first mindset and have been building our capabilities organically, through investments as well as partnerships with best-of-breed technology partners to meet the diverse needs of governments and enterprises. Group Enterprise has in September 2015 completed the acquisition of Trustwave, a leading US cyber security services company which enhances the Group's cyber security capabilities. To date, we have over 1,800 security professionals, global security operations and engineering centres as well as a specialised team of ethical hackers and forensic experts in assisting various businesses to manage vulnerabilities and threats, achieve compliance with regulations and implement secure solutions.

BREACH OF PRIVACY RISKS

We seek to protect the privacy of our customers in our networks and systems infrastructure. Significant failure of security measures may undermine customer confidence and materially impact our businesses. We may also be subject to the imposition of additional regulatory measures relating to the security and privacy of customer data.

We have implemented security policies, procedures, technologies and tools designed to minimise the risk of privacy breaches. We have also established an escalation process for major incidents, which includes security breaches, to ensure timely response, internally and externally, to minimise impact.

FINANCIAL RISKS

The main risks arising from our financial assets and liabilities are foreign exchange, interest rate, market, liquidity, access to financing sources and increased credit risks. Financial markets continue to be volatile and this may heighten execution risk for funding activities and credit risk premiums for market participants.

We are exposed to foreign exchange fluctuations from our operations and through subsidiaries as well as associated and joint venture companies operating in foreign countries. These relate to the translation of the foreign currency earnings and carrying values of our overseas operations. Additionally, a significant portion of associated and joint venture company purchases and liabilities are denominated in foreign currencies, versus the local currency of the respective operations. This gives rise to changes in cost structures and fair value gains or losses when marked to market.

We have established policies, guidelines and control procedures to manage and report exposure to such risks. Our financial risk management is discussed further on page 203 in Note 36 to the Financial Statements.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised globally about the potential exposure to Electromagnetic Energy (EME) emissions through using mobile handsets or being exposed to mobile transmission equipment. While there is no substantiated evidence of public health risks from exposure to the levels of EME typically emitted from mobile phones, perceived health risks can be a concern for our customers, the community, and regulators. The perceived health risks can result in reduced demand for mobile communications or concerns with local communities on the implementation of new mobile base stations which may impact our mobile business and impact revenues or may lead to litigation. In addition, government controls may be introduced to address this perceived risk, restricting our ability to deploy our mobile communications networks.

We design and deploy our network to comply with the relevant Government-mandated standards for exposure to EME. Our standards are based upon those recommended by the International Commission on NonIonizing Radiation Protection (ICNIRP), which is a related agency of the World Health Organisation (WHO). The ICNRP standards are adopted by many countries around the world and are considered best practice. We continue to monitor research findings on EME, health risks and their implications on relevant standards and regulations.

NETWORK FAILURE AND CATASTROPHIC RISKS

The provision of our services depends on the quality, stability, resilience and robustness of our networks and systems. We face the risk of malfunction of, loss of, or damage to, network infrastructure from natural or other uncontrollable events such as acts of terrorism. Some of the countries in which we and/or our regional mobile associates operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. In addition, other events that are outside our control and/or our regional mobile associates, such as fire, deliberate acts of sabotage, industrial accidents, blackouts, terrorist attacks or criminal acts, could damage, cause operational interruptions or otherwise adversely affect any of the facilities and activities, as well as potentially cause injury or death to personnel. Such losses or damage may significantly disrupt our operations, which may materially adversely affect our ability to deliver services to customers.

We have business continuity plans as well as insurance policies in place. There is a defined crisis management and escalation process for our CEOs and senior management to respond to emergencies and catastrophic events. However, our inability to operate our networks or customer support systems may have a material impact on our business.

TALENT MANAGEMENT RISKS

As we seek new avenues of growth, a key differentiator alongside access to innovation will be the ability to attract and sustain talent including new skills and capabilities. The loss of some or all of our key executives or the inability to attract or retain key talent, could materially and adversely affect our business.

We continue to invest in the skills of our existing workforce and build up our current and emerging capabilities through external professional hires and targeted campus recruitment. In order to develop and retain talent, we conduct regular skills assessment in the critical business areas and set out structured developmental roadmaps to fill new and emerging skills gaps. We have a targeted development approach to cultivate young, emerging and future technical and business leaders through formal learning activities, coaching and mentoring as well as providing critical experiences such as international assignments, rotations and special projects.

Sustainability

As Asia Pacific's leading ICT service provider, Singtel recognises that our operations touch millions of people's lives in the region. Unlocking the potential of connectivity and giving more people access to technology are some of the ways that our business achieves social good. Yet our commitment to the communities we serve runs even broader. As a responsible corporate citizen, we believe in building a truly sustainable business – one that is a genuine force for social inclusion, with a value chain based on the highest standards of ethics and governance.

Our four sustainability pillars revolve around the marketplace and customers, community, people and the environment.

Marketplace and Customers

Being accountable in the marketplace is central to everything we do. This includes upholding important responsibilities when it comes to our customers.

To maintain their trust, we strive to meet the highest standards of ethical practices and transparency. We work closely with our business partners and supply chain to ensure that they too operate with care.

SAFEGUARDING PRIVACY

In today's digital world, we understand that the privacy and safety of personal and corporate data are important to our customers. We are committed to respecting customer privacy and keeping their data secure. We strive to comply with local laws and regulations, and we have implemented additional measures to safeguard their information.

We extended these privacy measures to our key supplier partners in 2015, following an information security review of our offshore IT and contact centre operations. We are also enlarging our market footprint as a trusted provider of cyber security services and continuing to expand our capabilities to protect our government and enterprise customers.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Supply chain responsibility is a key part of our sustainability strategy. During the year, we put in place a Sustainable Supply Chain Management strategy and framework, with the goal of becoming an industry leader in this area by 2020. In addition, we updated our Group Supplier Code of Conduct in Singapore and Australia to ensure alignment across the Group and with our UN Global Compact commitments. We have integrated the updated Code into all new supplier contracts worth more than $5,000 since September 2015.

Understanding the impact of how we source is essential to improving our sustainable practices. We initiated a Group-wide life cycle assessment as well as a social hotspot analysis. We will incorporate the knowledge we have gained into our ongoing materiality assessments, allowing us to sharpen our focus on the activities that are most relevant to us and our supply chain. We also developed a supplier assessment framework, which involved mapping our material risks, and are currently conducting supplier self-assessments of key sustainability impacts and compliance requirements across 75% of our supply chain expenditure.

The key to solving these challenges lies in building greater sustainability awareness and expertise among our employees. During the year, we worked on embedding sustainable supply chain management practices into our existing policies and processes. We have also started to educate our employees to raise awareness and advocacy of sustainable procurement practices.

We presented a S$3 million cheque to Singtel Touching Lives Fund beneficiaries and pledged our continued support to help children and young people with special needs.

Community

We are committed to empowering vulnerable children and youth, including persons with disabilities and special needs. Our fundraising efforts in this area have now been expanded to include hiring and training opportunities for young people, to support their economic potential and capacity to make a difference.

Our Singtel Enabling Innovation Centre (EIC), opened in October 2015 at the Enabling Village, reflects our belief that a truly integrated effort is needed to change lives. Through our expertise, advocacy and resources, we also seek to serve as a catalyst to advance the disability employment agenda and to encourage other technology innovators and entrepreneurs to step forward and contribute solutions to address social challenges.

HOLISTIC SUPPORT FOR VULNERABLE CHILDREN AND YOUTH

Our programmes for vulnerable children and youth are designed to offer them holistic support. Since its launch in 2002, the Singtel Touching Lives Fund (STLF) has contributed more than S$33 million towards charitable organisations in Singapore. Our aim is to help beneficiaries with special needs, or those experiencing financial or social disadvantage, to lead productive and independent lives.

We are committed to advancing the disability employment agenda in Singapore as young people require concerted support beyond school. In June 2015, we became a founding member of the Singapore Business Network on DisAbility, together with like-minded companies. This group aims to promote and create fairer access to employment opportunities for persons with disabilities through networking and advocacy.

Preparing students in special education schools for their transition to the workforce is also the focus of our new Singtel EIC. In addition to donating S$1.99 million towards the facility and training curriculum development, our staff volunteers

Our Approach to Helping the Vulnerable and Disabled

Corporate philanthropy
Singtel Touching Lives Fund

Collaboration and Advocacy
National agencies, voluntary welfare organisations and corporate partners

Skills training
Singtel Enabling Innovation Centre

Social innovation
Singtel Social Innovation Programme

Sustainability

contributed their specialist expertise in call centre management systems and training methods. The Singtel EIC has also brought in the latest assistive technologies from around the world, enabling persons with disabilities to contribute as equals at work.

In late 2015, the first intake of trainees graduated from the Singtel EIC call centre training programme and went on to take up hiring opportunities with Singapore-based companies. Singtel hired two graduates, both wheelchair users, as webchat call centre officers in our Customer Operations unit. We anticipate employing more persons with disabilities as part of our workforce, and continue to work closely with disability experts to improve the accessibility of our call centre and office premises.

Beyond that, we actively seek to share innovations in disability employment and foster learning and collaboration throughout the region. This year, we arranged for national agency SG Enable, the owner-operator of the Enabling Village, to visit our Thai associate AIS and study its call centre, which employs and supports persons with disabilities. We also referred Singapore government agencies involved in promoting disability employment to our partners in Australia.

PROMOTING SOCIAL INNOVATION FOR THE DISABILITY SECTOR

Singtel recognises the opportunities for the community sector to leverage technology and innovation. We also believe that we are well-positioned to nurture this ecosystem. As a strategic partner of the Enabling Change Social Innovation Programme, we advised entrepreneurs seeking unique solutions on ways to address the challenges faced by persons with disabilities.

This programme, involving 30 aspiring entrepreneurs, was the first of its kind in Singapore. It included a 10-week community engagement phase and a five-month incubation phase designed to support the start-up development process. Solutions were tailored to help people tackle mobility and hearing impairments, as well as caregiver support needs. Our contribution included seed funding for the shortlisted start-ups, logistical support and mentoring advice such as how to pitch ideas to venture capital firms.

CREATING EMPOWERED AND RESPONSIBLE DIGITAL CITIZENS

As a market leader in mobile data and fixed broadband services, we recognise our responsibility to promote good digital citizenship. The internet brings with it a wealth of opportunities, but also inherent risks such as device and gaming addiction, inappropriate content and cyber bullying. We are implementing measures to safeguard the well-being of users, particularly vulnerable children and youth, and promoting a safe online environment.

The Singtel Enabling Innovation Centre opened its doors in 2015 to help people with special needs and disabilities enhance their employability and lead independent lives.

High school students learn how to be digitally savvy through the Optus Digital Thumbprint programme's classroom activities.

Our educational resources have been meticulously designed to empower people in Australia and Singapore to be responsible digital citizens. We have also created a teaching toolkit for special education schools – a first in Singapore.

FOSTERING SOCIAL INCLUSION THROUGH VOLUNTEERING

Giving back to the community is integral to Singtel's culture. We believe that volunteerism not only helps the communities we serve, but also develops character and empathy among our own people – including compassion for the vulnerable in our society.

Our commitment to these values is backed by practical measures such as one day of paid volunteer leave each year for every employee. We also encourage our business units to adopt VolunTeaming, a concept where employees volunteer together for a good cause.

As part of our community outreach, we treated about 800 students from the STLF beneficiaries and other special education schools to a day of fun at our 3rd Singtel Carnival. 1,500 staff volunteers organised the carnival and supervised the food and games stalls. Our annual event is one of the largest in Singapore organised solely for children with special needs.

This spirit of volunteering now extends to programmes that reach right across the region. In 2015, we held our first skilled Overseas Volunteering Programme, the inaugural AIS-Singtel English Camp, in partnership with our Thai associate. About 30 volunteers from Singtel, Optus and AIS helped 34 university students improve their English language skills. In Australia, our volunteering activities centre on mentoring vulnerable youth through the Australian Business and Community Network.

Our Digital Citizenship Initiatives

notAnoobie
Singapore's first cyber wellness information resource mobile application to help parents better understand and protect their children from online risks.

iZ HERO
Digital citizenship programme for Singapore primary schools. More than 70,000 students from 170 schools participated in school assembly talks and iZHERO.net.

Optus Digital Thumbprint programme
Digital citizenship programme for Australian high school students. More than 30,000 students participated in over 1,000 sessions.

Sustainability

People

We want to be an employer that our employees are proud to work for. To achieve this, we strive to create an equal opportunity working environment, and a diverse, inclusive and collaborative culture. Knowing that our employees are key to our successful transformation in this fast-changing digital world, we invest in our people so that they are empowered to grow both personally and professionally, to achieve their full potential.

CREATING A CARING AND SAFE ENVIRONMENT

We promote work-life balance for our employees by providing flexible work arrangements and a wide range of benefits, including flexi-family leave. They can use this time to celebrate special occasions or to take care of their family.

The health, well-being and safety of our workforce are our priority. We have been offering free annual health screenings and chronic disease management counselling for all employees. This enables them to identify and address emerging health concerns early. They and their immediate family members also have access to the Work-Life Coaching Programme, a professional consultancy service for work-life and job-related issues, run by external consultants to ensure confidentiality. In addition, the Singtel Recreation Club organises sports, recreational activities, workshops and talks to foster employee engagement and interaction.

We actively promote workplace occupational health awareness among our employees to cultivate a positive workplace health and safety culture. We became a bizSAFE Partner in Singapore in 2016, and we are also on track to certify our Workplace Safety and Health management system to the Singapore Standard SS506 certification and OHSAS18001 standards.

In celebration of SG50, Singtel staff spent an unforgettable evening with their families at Universal Studios Singapore.

1,500 Singtel staff took time off to arrange a day of fun at the 3rd Singtel Carnival for our beneficiaries and children from special education schools in Singapore.

FOSTERING DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Our global workforce is multicultural and multigenerational, consisting of more than 25,000 employees from over 90 different nationalities. This diversity is an innate strength that helps foster innovation across our organisation.

We actively promote diversity in the following four key areas: gender diversity, multigenerational workplace, multicultural awareness and differing abilities.

Gender Diversity

Female employees account for 37% of our workforce in Singapore and 33% in Australia. While women fill 30% of our upper and middle management positions overall, we recognise that more work needs to be done to improve the representation of female leaders, particularly at Optus. Our Women in Leadership Series is a multifaceted strategy designed to build a durable pipeline of female talent, increase awareness and advocacy of equity goals across the organisation, and provide women with networking, coaching and mentoring opportunities. We have also established a Female Diversity Committee within our Group Enterprise business to advance these objectives.

Multigenerational Workplace

We value the contributions of all employees, irrespective of their age. To ensure that we can continue to tap on the wealth of knowledge and expertise of mature workers, we signed a memorandum of understanding with the Union of Telecoms Employees of Singapore, committing to offer re-employment opportunities to all Singtel employees approaching the retirement age of 62. During the year, we re-employed 86 out of these 113 employees, bringing our current number of employees aged over 62 to 290. We encourage mature workers to upgrade and equip themselves with the skills to adapt as our industry rapidly evolves.

Multicultural Awareness

Cultural diversity is part of the Singtel DNA. Throughout the year, we supported awareness and inclusion through multicultural celebrations and events. In Australia, for instance, we hold regular cultural days and fairs at our Optus campus in Sydney. These events bring together employees from different backgrounds to showcase their unique culture through food, performances and artworks.

Differing Abilities

We believe in harnessing our diverse workforce to serve the common good. Our most significant community initiatives are targeted at groups with special needs, such as persons with disabilities or those experiencing financial or social disadvantage. For more information, refer to the Community section on page 92.

Sustainability

PROVIDING OPPORTUNITIES FOR OUR PEOPLE

We actively nurture employees early in their careers and seek to develop the next generation of leaders at all levels of our organisation.

Our Cadet Scholarship Programme grooms high potential diploma students in the areas of network engineering, cyber security and customer experience. We offer a Management Associate Programme that gives top graduates and young professionals access to a structured developmental road map comprising meaningful job rotations, international assignments, leadership training, mentoring and career coaching. Another important initiative is SHINE, which offers internships to promising young polytechnic and university students, and accelerated pathways for top performers.

High potential employees are given the chance to build critical skills and experiences through rotations, overseas assignments with a larger scope of responsibilities and to broaden their exposure through the Regional Leadership in Action and Game for Global Growth programmes. These initiatives aim to accelerate the creation of a strong regional talent pool across the Group – one that will support our future transformation goals.

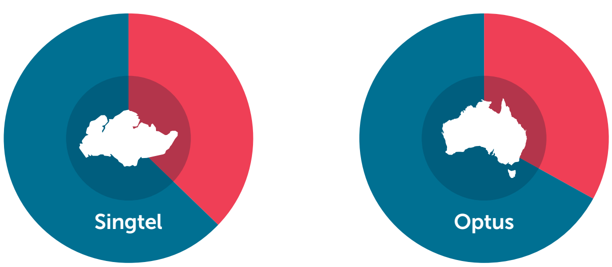
With the rapid changes shaping our industry, it is important for our employees to keep abreast of the latest industry developments. We offer comprehensive training focused on our strategic priorities and business needs including cloud services, analytics, cyber security and smart cities. Employees are also encouraged to map out their own professional development plans.

Our annual Learning Fiesta was once again a popular training initiative. Originally introduced in Singapore, we now offer the Learning Fiesta to employees in Australia, Malaysia, Hong Kong, the Philippines and the US. The event enables employees to listen to high-profile speakers, visit new business showcases and participate in courses and activities. This year, we offered more than 20,000 learning places across 170 courses.

In FY 2016, each employee received an average of 32.2 hours of training.

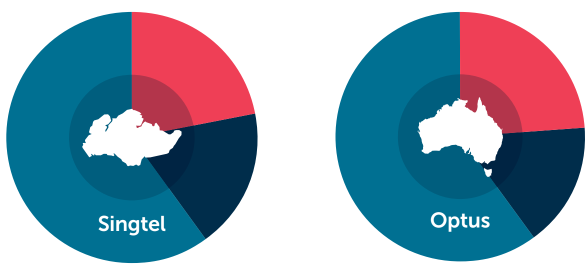
Employee Diversity by Gender and Age

Gender Distribution



Singtel MALE	Singtel FEMALE	Optus MALE	Optus FEMALE
63%	37%	67%	33%

Age Distribution



Singtel		Optus	
< 30 years old	22%	< 30 years old	24%
30 – 49 years old	60%	30 – 49 years old	60%
≥ 50 years old	18%	≥ 50 years old	16%

Environment

Minimising our environmental impact is fundamental as we expand our network infrastructure to meet the ever-growing demand for communications services. As a recognised leader in this area, we strive to operate as efficiently as possible and pursue sustainable practices throughout our product and supply chain. Our longer-term goal is also to make our networks resilient to the effects of climate change.

Addressing Climate Change
In 2015, we commissioned an in-depth study on the impact of climate change across our operations and established an action plan to mitigate major impacts. This will support our efforts to minimise our carbon footprint and improve operational efficiency as our overall energy consumption increases along with our growing network.

Integrating the Environment Agenda into our Value Chain
Our 2020 Sustainable Supply Chain Management strategy is designed to ensure our business continues to grow in harmony with the environment. For more information, refer to the Sustainable Supply Chain Management section on page 91.

Engaging our Stakeholders
In Australia, where natural disasters are prevalent, Optus is a founding member of the Australian Business Roundtable for Disaster Resilience and Safer Communities. The organisation promotes greater collaboration between government, industry and communities. It also conducts research and recommends policy changes that will improve society's capacity to withstand future climate change disasters.

Product and Resource Responsibility
Our commitment to sustainability extends to all aspects of our product and supply chain. To minimise electronic waste, we wipe data and resell, reuse or recycle employees' electronic devices that are no longer needed. We also offer a buyback scheme to encourage customers to trade-in used devices. Our retail shops in Singapore and Australia offer recycling facilities, making it easy for customers to drop off products and accessories that have reached end-of-life.

OUR PERFORMANCE

Our environmental initiatives have received international recognition. We were ranked 81st globally and 1st among all Singapore companies in Newsweek Green Rankings' Top Green Companies in the World 2015. The rankings assess the overall environmental performance of the 500 largest publicly traded companies globally.

We also received a score of 93C in the Carbon Disclosure Project's Climate Performance Leadership Index 2015, an improvement on our score of 80B in 2014. This index recognises the achievements and transparency of international companies in their efforts to tackle climate change. Our score demonstrates the significant progress we have made in disclosure and reporting despite our growing energy requirements as a result of network expansion.

Our Environmental Strategy

Addressing climate change

Integrating the environment agenda into our value chain

Engaging our stakeholders

Product and resource responsibility

Sustainability

KEY ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

		Singapore		Australia	
		2016	**2015**	**2016**	**2015**
Environmental Performance [1]	Energy use (GJ)	**1,379,633**	1,338,904	**1,657,262**	1,533,360
	Carbon footprint (tonnes CO_2e)	**174,112**	176,454	**420,827**	402,750
	Water use (cubic metres)	**756,398**	691,389	**70,254** [2]	60,422 [2]
	Hazardous and non-hazardous waste (tonnes)	**4,223**	4,015	**1,503**	1,425
Social Performance – People	Employee turnover (%)	**14.5**	13.8	**10.7**	10.4
	Employee turnover by gender (%)				
	– Male	**14.7**	14.7	**9.1**	9.0
	– Female	**14.3**	12.3	**14.1**	13.0
	Average training hours per employee	**32.5**	33.3	**31.7**	32.2
	Employee health and safety [3]				
	– Workplace injury rate	**1.3**	1.4	**1.3**	2.6
	– Accident frequency rate	**0.6**	0.6	**0.8**	1.3
	– Accident severity rate	**5.9**	7.4	**12.9**	18.6
Social Performance – Community	Community investment ($ million)	**S$26.7** [4]	S$10.1	**A$8.7**	A$8.7
	Total volunteering hours	**15,981**	15,109	**16,194**	11,505

Notes:

(1) Please refer to the Singtel Group and Optus sustainability reports for the reporting scope of environmental indicators.
(2) Water use for Optus Sydney Campus only.
(3) Workplace Safety and Health (WSH) metrics have been realigned to the International Labour Organization (ILO) definitions. FY 2015 data has been restated.
(4) This factored in a partial allocation of a one-time donation of S$20 million to National Gallery Singapore. The London Benchmarking Group (LBG) guidelines are used to assess and calculate Singtel's community investment.

For more details, refer to our **SUSTAINABILITY REPORT** at: singtel.com/sr2016

Group Five-year Financial Summary

	Financial Year ended 31 March				
	2016	2015	2014	2013	2012
Income Statement (S$ million)					
Group operating revenue	**16,961**	17,223	16,848	18,183	18,825
Singtel	**7,663**	7,348	6,912	6,732	6,551
Optus	**9,298**	9,875	9,936	11,451	12,275
Optus (A$ million)	**9,115**	8,790	8,466	8,934	9,368
Group EBITDA	**5,013**	5,091	5,155	5,200	5,219
Singtel	**2,187**	2,146	2,223	2,147	2,128
Optus	**2,825**	2,945	2,932	3,053	3,091
Optus (A$ million)	**2,771**	2,624	2,502	2,381	2,357
Share of associates' pre-tax profits	**2,791**	2,579	2,201	2,106	2,005
Group EBITDA and share of associates' pre-tax profits	**7,804**	7,670	7,357	7,306	7,223
Group EBIT	**5,655**	5,508	5,224	5,178	5,222
Net profit after tax	**3,871**	3,782	3,652	3,508	3,989
Underlying net profit [1]	**3,805**	3,779	3,610	3,611	3,676
Exchange rate (A$ against S$) [2]	***1.020***	*1.123*	*1.174*	*1.282*	*1.310*
Cash Flow (S$ million)					
Group free cash flow [3]	**2,718**	3,549	3,249	3,759	3,462
Singtel	**869**	1,379	1,181	1,491	1,170
Optus	**631**	1,070	1,020	1,367	1,451
Optus (A$ million)	**617**	976	903	1,068	1,111
Associates' dividends (net of withholding tax)	**1,218**	1,100	1,048	900	841
Cash capital expenditure	**1,930**	2,238	2,102	2,059	2,249
Balance Sheet (S$ million)					
Total assets	**43,566**	42,067	39,320	39,984	40,418
Shareholders' funds	**24,989**	24,733	23,868	23,965	23,428
Net debt	**9,142**	7,963	7,534	7,477	7,860
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	**74**	74	73	75	76
Return on invested capital (%) [4]	**11.7**	12.1	11.6	11.8	12.0
Return on equity (%)	**15.6**	15.6	15.3	14.8	16.7
Return on total assets (%)	**9.0**	9.3	9.2	8.7	10.0
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.2**	1.0	1.0	1.0	1.1
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	**25.3**	29.2	28.7	24.5	20.7
Per Share Information (S cents)					
Earnings per share - basic	**24.29**	23.73	22.92	22.02	25.04
Earnings per share - underlying net profit [1]	**23.88**	23.71	22.65	22.66	23.07
Net assets per share	**156.8**	155.2	149.8	150.4	147.1
Dividend per share - ordinary	**17.5**	17.5	16.8	16.8	15.8

"Singtel" refers to the Singtel Group excluding Optus.

Notes:

(1) Underlying net profit is defined as net profit before exceptional items.
(2) Average A$ rate for translation of Optus' operating revenue.
(3) Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.
(4) Return on invested capital is defined as EBIT (post-tax) divided by average capital.

Group Five-year Financial Summary

FIVE-YEAR FINANCIAL REVIEW

FY 2016

The Group delivered a strong performance with resilient core business and robust contributions from associates. Operating revenue was S$16.96 billion, 1.5% lower than FY 2015 with the Australian Dollar declining a steep 9% against the Singapore Dollar and the impact of lower mobile termination rates in Australia from 1 January 2016. In constant currency terms, operating revenue would have grown 4.1% across all business units with first time contribution from Trustwave, Inc. (a newly acquired cyber security business). EBITDA was S$5.01 billion, 1.5% lower than FY 2015 and in constant currency terms, would have increased 4.1% with strong cost management.

The associates' pre-tax contributions rose 8.2% to S$2.79 billion and would have increased 9.7% excluding the currency translation impact. The regional mobile associates recorded strong customer growth and robust mobile data growth, with higher earnings from Telkomsel and Globe offsetting the decline in Airtel.

Underlying net profit was stable and net profit including exceptional items increased 2.4% to S$3.87 billion. In constant currency terms, underlying net profit and net profit would have increased 4.0% and 5.5% respectively from FY 2015.

FY 2015

The Group delivered a strong set of results. Operating revenue was S$17.22 billion, 2.2% higher than FY 2014 with growth across all the business units. EBITDA was S$5.09 billion, 1.3% lower than FY 2014 with the Australian Dollar weakening 4% against the Singapore Dollar. In constant currency terms, revenue grew 4.8% and EBITDA rose 1.3% despite operating losses from the digital businesses.

The associates' pre-tax contributions rose strongly by 17% to S$2.58 billion and would have increased 21% excluding the currency translation impact. The regional mobile associates registered strong customer growth and increased demand for mobile data services, with earnings growth led by Airtel India, Telkomsel and Globe.

Underlying net profit grew 4.7% and net profit including exceptional items increased 3.5% to S$3.78 billion. In constant currency terms, underlying net profit and net profit would have increased 7.5% and 6.2% respectively from FY 2014.

FY 2014

The Group delivered a resilient performance against industry challenges and currency headwinds. Operating revenue was S$16.85 billion, 7.3% lower than FY 2013 with the Australian Dollar weakening 8% against the Singapore Dollar. In constant currency terms, revenue would have declined 2.3% with lower mobile revenue in Australia and a cautious business climate. EBITDA was relatively stable at S$5.16 billion but in constant currency terms increased 4.5% on an improved cost structure.

The associates' pre-tax contributions rose 4.5% to S$2.20 billion and would have increased strongly by 13% excluding the currency translation impact. The regional mobile associates registered robust demand for mobile data services, with earnings growth led by Airtel India.

Underlying net profit was stable at S$3.61 billion and net profit including exceptional items grew 4.1% to S$3.65 billion. In constant currency terms, underlying net profit and net profit would have increased 5.9% and 10% respectively from FY 2013.

FY 2013

The Group delivered resilient earnings amid significant industry changes while it continued to invest in transformational initiatives to drive long-term growth. Operating revenue was S$18.18 billion, 3.4% lower than FY 2012 due to lower mobile revenue in Australia. EBITDA was stable at S$5.20 billion. In constant currency terms, revenue declined 2.1% but EBITDA grew 1.0% on strong cost management.

The associates' pre-tax contributions grew 5.0% to S$2.11 billion. Excluding the currency translation impact, the associates' pre-tax contributions would have increased strongly by 12%, underpinned by double-digit earnings growth from Telkomsel and AIS.

Underlying net profit was S$3.61 billion, a decrease of 1.8% from FY 2012. Excluding currency translation impact, underlying net profit rose 1.4%. Including net exceptional losses mainly from disposal of Warid Pakistan in FY 2013, net profit declined 12% to S$3.51 billion in FY 2013.

FY 2012

The Group's operating revenue grew 4.2% to S$18.83 billion, underpinned by robust mobile growth in Singapore and 4% appreciation of the Australian Dollar. EBITDA rose 1.9% to S$5.22 billion with lower customer acquisition costs in Australia partly offset by investments in TV content and higher mobile customer acquisition and retention costs in Singapore.

The associates' pre-tax contributions declined 6.4% to S$2.01 billion. Excluding currency translation impact, the associates' pre-tax contributions would have been stable, driven by strong profit growth from Telkomsel and AIS partially offset by Airtel's lower earnings.

Underlying net profit was S$3.68 billion, 3.3% lower than FY 2011. Including net exceptional gains and an exceptional net tax credit of S$270 million on the increase in value of assets transferred to an associate, net profit grew 4.3% to S$3.99 billion.

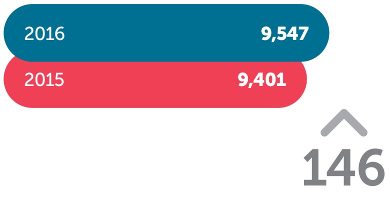
Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

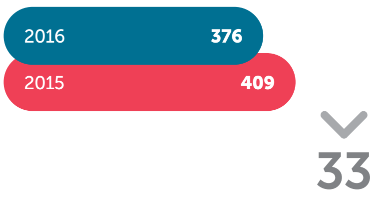
	FY 2016 S$ million	FY 2015 S$ million
Value added from:		
Operating revenue	**16,961**	17,223
Less: Purchase of goods and services	**(9,639)**	(9,816)
	7,322	7,407
Other income	**148**	151
Interest and investment income (net)	**95**	93
Share of results of associates (post-tax)	**2,027**	1,735
Exceptional items	**(45)**	15
	2,225	1,994
Total value added	**9,547**	9,401
Distribution of total value added		
To employees in wages, salaries and benefits	**2,457**	2,467
To government in income and other taxes	**723**	679
To providers of capital on:		
- Interest on borrowings	**360**	309
- Dividends to shareholders	**2,789**	2,678
Total distribution	**6,329**	6,133
Retained in business		
Depreciation and amortisation	**2,149**	2,161
Retained profits	**1,082**	1,104
Non-controlling interests	**(13)**	3
	3,218	3,268
Total value added	**9,547**	9,401
Average number of employees	**25,423**	22,967

PRODUCTIVITY DATA

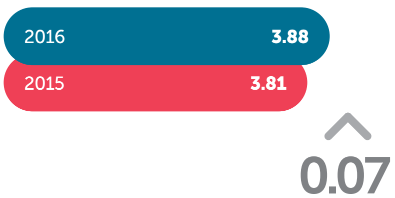
VALUE ADDED (S$ million)



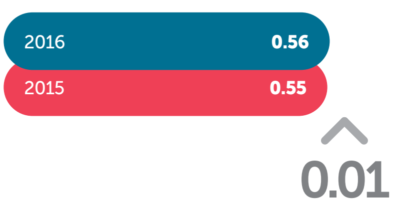
VALUE ADDED PER EMPLOYEE (S$'000)



VALUE ADDED PER DOLLAR OF EMPLOYMENT COSTS (S$)



VALUE ADDED PER DOLLAR OF TURNOVER (S$)



Management Discussion and Analysis

GROUP

	Financial Year Ended 31 March			
	2016 (S$ million)	2015 (S$ million)	Change (%)	Change in constant currency [1] (%)
Operating revenue	**16,961**	17,223	-1.5	4.1
(exclude mobile termination rates decline) [2]	***17,149***	*17,223*	*-0.4*	*5.2*
EBITDA	**5,013**	5,091	-1.5	4.1
EBITDA margin	***29.6%***	*29.6%*		
Share of associates' pre-tax profits	**2,791**	2,579	8.2	9.7
EBITDA and share of associates' pre-tax profits	**7,804**	7,670	1.7	6.0
EBIT	**5,655**	5,508	2.7	6.0
(exclude share of associates' pre-tax profits)	***2,864***	*2,929*	*-2.2*	*2.8*
Net finance expense	**(265)**	(216)	22.4	28.6
Taxation	**(1,597)**	(1,510)	5.8	8.8
(exclude tax credit on transfer of assets to associate)	***(1,597)***	*(1,549)*	*3.1*	*6.1*
Underlying net profit [3]	**3,805**	3,779	0.7	4.0
(exclude one-off tax credit and Trustwave) [4]	***3,832***	*3,740*	*2.4*	*5.8*
Underlying earnings per share (S cents)	***23.9***	*23.7*	*0.7*	*4.0*
Exceptional items (post-tax)	**66**	3	@	@
Net profit	**3,871**	3,782	2.4	5.5
(exclude one-off tax credit and Trustwave) [4]	***3,898***	*3,743*	*4.1*	*7.3*
Basic earnings per share (S cents)	***24.3***	*23.7*	*2.4*	*5.5*
Share of associates' post-tax profits	**1,930**	1,763	9.5	11.2

"Associate" refers to either an associate or a joint venture as defined under Singapore Financial Reporting Standards.

"@" denotes more than 500%.

Notes:

(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the previous year ended 31 March 2015 (FY 2015).

(2) Mobile termination rates in Australia declined effective from 1 January 2016. The decline reduced the Group's operating revenue by S$188 million (A$186 million), with minimal impact on profitability.

(3) Underlying net profit refers to net profit before exceptional items.

(4) Adjusted to exclude Trustwave, Inc. (acquired in September 2015) and a one-off tax credit of S$39 million arising from certain property, plant and equipment transferred to an associate recorded in FY 2015.

For the year ended 31 March 2016, the Group performed in line with the guidance issued during the year. Net profit grew 5.5% in constant currency terms. The strong underlying performance was underpinned by its core business driven mainly by higher mobile data usage and improved contributions from the associates. With the Singapore Dollar strengthening against the Australian Dollar and the Indonesian Rupiah, net profit increased 2.4% to S$3.87 billion. Foreign currency movements negatively impacted net profit by S$119 million or 3.1 percentage points.

Trustwave, Inc. ("**Trustwave**"), a newly acquired cyber security company consolidated from 30 September 2015, contributed S$147 million in operating revenue, S$5 million in EBITDA and S$27 million in net loss [(1)].

The Group's operating revenue declined by 1.5% to S$16.96 billion, impacted by the steep decline of 9% of the Australian Dollar against the Singapore Dollar and the reduction in mobile termination rates [(2)] in Australia from 1 January 2016 ("**rates change**"). In constant currency terms, operating revenue would have grown 4.1% with growth across all the business units. The rates change reduced operating revenue by S$188 million but had minimal impact on profitability. EBITDA declined by 1.5% to S$5.01 billion but in constant currency terms would have increased by 4.1%.

Group Consumer, the largest business segment, recorded lower operating revenue of 4.6%. In constant currency terms, operating revenue would have grown 3.0% (up 4.8% excluding the rates change). EBITDA declined 1.2% but in constant currency terms would have increased strongly by 6.5% on strong cost management, and lower mobile customer acquisition and retention costs in Australia as penetration of device repayment plans increased.

Group Enterprise saw operating revenue grew 1.3% while EBITDA declined 3.9%. Excluding fibre rollout and Trustwave, both revenue and EBITDA were stable. On the same basis and in constant currency terms, operating revenue grew 2.8% and EBITDA remained stable. The higher operating revenue, despite the slowing global economy, was driven mainly by higher ICT and cloud services.

Group Digital Life, which is focused on digital marketing, regional premium OTT video and data analytics, saw a 45% rise in operating revenue with full year's contributions from Kontera and Adconion acquired in September 2014 quarter. Negative EBITDA fell 24% reflecting increased scale at Amobee and effective cost management, partially offset by HOOQ's start-up losses.

The Group and its associates continued to record strong customer growth. The combined mobile customer base reached 605 million [(3)] in 25 countries as at 31 March 2016, up 8.8% or 49 million from a year ago.

The associates' post-tax contributions rose 9.5% to S$1.93 billion, and would have increased 11% excluding the currency translation impact with higher earnings at Telkomsel and NetLink Trust.

Telkomsel registered strong double-digit growth in revenue and EBITDA, boosted by higher voice and data usage. Airtel delivered higher revenue and EBITDA on strong data growth, improved operating margins in India as well as lower fair value losses in Africa but was offset by higher depreciation and spectrum related costs in India. AIS reported stable service revenue while earnings were impacted by 2G to 3G/4G handset migration costs. Globe saw higher profits from growth in mobile data and customer base, as well as one-off gains. NetLink Trust recorded higher revenue and EBITDA boosted by increased fibre penetration in Singapore.

Depreciation and amortisation charges were stable and would have increased 5.9% in constant currency terms. The higher depreciation charges was due to increased investments in mobile networks including LTE deployment in Singapore and Australia, while amortisation charges increased due mainly to acquired intangibles of Trustwave and investments in spectrums. Consequently, the Group's EBIT rose 2.7% to S$5.66 billion, and would have been up 6.0% in constant currency terms.

Net finance expense increased 22% on higher interest expense from higher average borrowings as well as an increase in interest rates.

Excluding the one-off tax credit last year, the increase in tax expense of 6.1% in constant currency terms reflected higher profits and higher withholding taxes on increased dividends from the associates.

Underlying net profit was stable at S$3.81 billion and in constant currency terms would have increased 4.0% from last year. Excluding Trustwave and the one-off tax credit last year, underlying net profit was up 2.4%, and would have increased 5.8% in constant currency terms.

The Group's net exceptional gain of S$66 million mainly comprised gains on sale of venture investments of S$96 million and share of Airtel's net exceptional gains of S$65 million, partially offset by the currency translation loss of S$56 million reclassified from equity upon loss of joint control of PBTL, and various one-off charges.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for three-quarters of both the Group's proportionate revenue and EBITDA.

Notes:

(1) Include amortisation of acquired intangibles and acquisition financing cost.

(2) Mobile termination rates are the fees charged by mobile operators for receiving calls and messages on their networks.

(3) Excluding Pacific Bangladesh Telecom Limited ("**PBTL**") (45%-owned joint venture) which the Group has ceased to exercise joint control.

Management Discussion and Analysis

BUSINESS SEGMENT

	Financial Year Ended 31 March			
	2016 (S$ million)	2015 [(1)] (S$ million)	Change (%)	Change in constant currency [(2)] (%)
Operating revenue				
- Group Consumer	**10,110**	10,593	-4.6	3.0
- Group Enterprise	**6,397**	6,318	1.3	3.9
Core Business	**16,507**	16,910	-2.4	3.3
- Group Digital Life	**454**	313	45.3	45.6
Group	**16,961**	17,223	-1.5	4.1
EBITDA				
- Group Consumer	**3,266**	3,304	-1.2	6.5
- Group Enterprise	**1,959**	2,039	-3.9	-2.4
Core Business	**5,225**	5,343	-2.2	3.1
- Group Digital Life	**(137)**	(180)	-24.0	-24.6
- Corporate	**(76)**	(73)	4.3	4.3
Group	**5,013**	5,091	-1.5	4.1
EBITDA margin				
- Group Consumer	***32.3%***	*31.2%*		
- Group Enterprise	***30.6%***	*32.3%*		
- Group	***29.6%***	*29.6%*		
EBIT (exclude share of associates' pre-tax profits)				
- Group Consumer	**1,811**	1,816	-0.3	6.9
- Group Enterprise	**1,337**	1,426	-6.2	-5.2
Core Business	**3,148**	3,242	-2.9	1.6
- Group Digital Life	**(206)**	(237)	-13.4	-13.9
- Corporate	**(79)**	(75)	4.9	4.9
Group	**2,864**	2,929	-2.2	2.8
Group Enterprise (exclude fibre rollout and maintenance and Trustwave)				
- Operating revenue	**6,250**	6,237	0.2	2.8
- EBITDA	**1,954**	1,971	-0.9	0.7
- EBIT	**1,353**	1,359	-0.4	0.6

Notes:

(1) From 1 April 2015, certain businesses which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance, the results for FY 2015 have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore.

(2) Assuming constant exchange rate for the Australian Dollar from FY 2015.

GROUP CONSUMER

Group Consumer contributed 60% (FY 2015: 61%) and 65% (FY 2015: 65%) to the Group's operating revenue and EBITDA respectively.

Operating revenue in Singapore Consumer declined 1.7% mainly from lower Equipment sales and International Telephone, partially mitigated by higher Mobile Communications and Fixed Broadband. Equipment sales fell 8.8% on lower volume of handset sales, while International Telephone fell 8.9% due to lower call traffic on continued data substitution and increased popularity of OTT apps. Mobile Communications, which contributed 54% of Singapore Consumer's revenue, rose 1.6% in a highly competitive market with robust data growth offsetting continued declines in roaming, voice and SMS usage. Consumer Home revenue, comprising fixed broadband and voice, as well as Singtel TV, was stable. With strong cost management, both EBITDA and EBIT increased 6.7%.

Australia Consumer's operating revenue gained 4.2% (up 6.7% excluding the rates change) on growth in both mobile and fixed services. EBITDA rose 6.1% with lower customer acquisition and retention costs as penetration of device repayment plans increased. Including higher depreciation and amortisation charges, EBIT grew 6.5%. Mobile service revenue declined 2.1% but would have been up 2.0% excluding the rates change with postpaid handset customer gains. Mass Market Fixed revenue grew 4.4% with increase in National Broadband Network (NBN) revenue and higher take-up of Pay TV.

GROUP ENTERPRISE

Group Enterprise contributed 38% (FY 2015: 37%) and 39% (FY 2015: 40%) to the Group's operating revenue and EBITDA respectively.

Trustwave contributed S$147 million in operating revenue, S$5 million in EBITDA and S$16 million in negative EBIT including the amortisation of acquired intangibles.

In constant currency terms, operating revenue grew 3.9%, due in part to contribution from Trustwave, while EBITDA was down 2.4%.

In Singapore [4], excluding fibre rollout and Trustwave, operating revenue increased 3.1% driven by strong growth in ICT and Data and Internet services, partly offset by decline in International Telephone revenue. ICT services, which contributed 42% of operating revenue, grew 13% driven by increased provision of infrastructure services, greater G-cloud adoption by Singapore government agencies and higher application development and maintenance projects.

In Australia, operating revenue was up 2.0%. Strong growth from ICT services mitigated the decline in Data and IP due to continued price erosion, migration of legacy data services to IP-based solutions, and customer-led rationalisation of services.

GROUP DIGITAL LIFE

With contributions from Kontera and Adconion acquired in September 2014 quarter, Group Digital Life's operating revenue increased strongly by 45%.

Negative EBITDA decreased 24%, reflecting Amobee's improved gross margin and effective cost management, as well as the benefits of business rationalisation, partially offset by HOOQ's higher start-up costs. HOOQ, which offers regional premium OTT video, has been launched in Indonesia, India, Thailand and the Philippines to capitalise on Asia's growing demand for online entertainment. Negative EBIT declined 13% after accounting for higher depreciation and amortisation of acquired intangibles for Amobee.

Note:

(4) Includes all geographies other than Australia.

Management Discussion and Analysis

ASSOCIATES

	Financial Year Ended 31 March			
	2016 (S$ million)	2015 (S$ million)	Change (%)	Change in constant currency [1] (%)
Group share of associates' pre-tax profits	**2,791**	2,579	8.2	9.7
(excluding fair value losses)	***2,919***	*2,730*	*6.9*	*8.2*
Share of post-tax profits				
Regional mobile associates				
Telkomsel	**857**	741	15.8	20.8
AIS [2]	**370**	338	9.4	9.9
Airtel [2]				
- ordinary results (India and South Asia)	**535**	657	-18.6	-19.0
- ordinary results (Africa)	**(203)**	(243)	-16.4	-16.8
- exceptional items [3]	**(15)**	(42)	-63.5	-62.9
	316	372	-15.0	-15.5
Globe				
- ordinary results	**215**	212	1.5	-1.4
- exceptional items [4]	**20**	–	nm	nm
	235	212	11.0	7.8
	1,779	1,663	7.0	8.9
NetLink Trust [5]				
- operating results	**39**	(14)	nm	nm
- amortisation of deferred gain	**56**	51	10.0	10.0
	95	37	158.9	158.9
Other associates	**57**	64	-11.1	-11.1
Group share of associates' post-tax profits	**1,930**	1,763	9.5	11.2

"nm" denotes not meaningful.

Notes:

(1) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from FY 2015.

(2) Share of results of the associates as shown in the table above excluded the Group's share of certain Airtel's exceptional items and AIS' 2G to 3G/4G handset subsidy costs which have been classified as exceptional items of the Group in view of their materiality.

(3) Exceptional items of Airtel for FY 2016 comprised various non-operational expenses such as termination and restructuring costs, and network re-farming and upgrading costs. The exceptional items in FY 2015 mainly comprised fair value losses from translation of liabilities in Nigeria, restructuring costs, and various provisions and charges.

(4) Exceptional items of Globe relate to its disposal of 51% equity interest in Yondu, Inc. (a former 100% owned subsidiary) and fair valuation of its previously held equity interest of 38.3% in Bayan Telecommunications, Inc.

(5) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. The amortisation of deferred gain arose from Singtel's gain on disposal of assets and business to NetLink Trust in prior years, which was deferred in the Group's balance sheet and amortised over the useful lives of the transferred assets.

	Telkomsel	AIS	Airtel [1]	Globe
Country mobile penetration rate	126%	126%	81%	116%
Market share, 31 March 2016 [2]	47.6%	45.9%	24.2%	45.8%
Market share, 31 March 2015 [2]	46.0%	45.7%	23.3%	40.0%
Market position [2]	#1	#1	#1	#2
Mobile customers ('000)				
- Aggregate	153,613	38,928	342,039	57,266
- Proportionate	53,764	9,078	111,127	27,024
Growth in mobile customers (%) [3]	8.6%	-7.2%	10%	18%

Notes:

(1) Mobile penetration rate, market share and market position pertained to India market only.

(2) Based on number of mobile customers.

(3) Compared against 31 March 2015 and based on aggregate mobile customers. Globe has classified mobile broadband customers as part of its mobile customers with effect from March 2016. The comparative data as at 31 March 2015 has been restated accordingly.

The associates' pre-tax and post-tax contributions grew 8.2% and 9.5% respectively, on higher profits from Telkomsel and NetLink Trust. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased by 9.7% and 11% respectively.

During the year, the regional mobile associates continued to transition from mobile telephony to mobile Internet and harness the benefits of their extensive investments in 3G and 4G networks and services.

Excluding PBTL which Singtel has ceased to exercise joint control, the Group's combined mobile customer base reached 605 million in 25 countries, a growth of 8.8% or 49 million from a year ago. Telkomsel registered 8.6% increase in its customer base to 154 million, including 72 million of data customers as at end of March 2016. Airtel's total mobile customer base covering India, Bangladesh, Sri Lanka and across Africa, reached 342 million as at 31 March 2016, up 10% from a year ago.

Telkomsel delivered strong double-digit growth in operating revenue and EBITDA of 16% and 19% respectively. The growth was fuelled by strong growth in voice, data and digital businesses as smartphone penetration increased. Mobile revenue market share improved from a year ago. Including higher depreciation charges on the accelerated network rollout, the Group's share of Telkomsel's post-tax profit grew 21% in Indonesian Rupiah terms. With the Indonesian Rupiah depreciating 4% against the Singapore Dollar, Telkomsel's post-tax contribution grew 16% to S$857 million.

AIS' service revenue (excluding interconnect revenue) was stable with strong mobile data usage offset by decline in voice in a highly competitive market. AIS continues to maintain its mobile market leadership position as well as the largest network coverage operator in Thailand. EBITDA grew 2% [5] largely due to regulatory costs savings from 3G migration. With lower depreciation charges on fully depreciated 2G assets, AIS' post-tax contribution rose 9.4% to S$370 million.

Airtel saw strong revenue growth of 10% in India with a higher mobile revenue market share driven by growth in data usage and robust customer gains. EBITDA in India grew 14% and operational margin expanded despite higher costs from intensified network expansion. The growth was however offset by higher depreciation, spectrum amortisation charges and related finance costs. In Africa, operating revenue rose 3% in constant currency terms, underpinned by continued growth in mobile data and 'Airtel Money' services. However, the depreciation of several African currencies had negatively impacted Africa's reported results in US Dollar terms resulting in the declines in revenue and EBITDA by 13% and 19% respectively. Consequently, the Group's share of Airtel's total post-tax profit fell 15% to S$316 million, despite lower fair value losses and exceptional losses.

Globe recorded 15% increase in service revenue driven by higher customer base for both mobile and broadband, and growth in mobile revenue market share. EBITDA rose 15% with revenue growth partly offset by higher service and network costs. Despite higher depreciation charges from a larger asset base, Globe's post-tax profit increased 7.8% in Philippine Peso terms boosted by one-off gains. With the 3% strengthening of the Philippine Peso against the Singapore Dollar, Globe's post-tax contribution grew 11% to S$235 million.

NetLink Trust's revenue grew 18% driven by a 30% increase in residential fibre customer base, while EBITDA increased with improved margins. Consequently, NetLink Trust recorded a net profit of S$39 million (before the Group's amortisation of deferred gain), compared to a net loss of S$14 million last year.

Note:

(5) Including 2G to 3G/4G handset subsidy costs classified as an exceptional item of the Group, EBITDA would have declined by 3% while post-tax profit grew 2% in Thai Baht terms from last year.

Management Discussion and Analysis

CASH FLOW

	Financial Year Ended 31 March		
	2016 (S$ million)	2015 (S$ million)	Change (%)
Net cash inflow from operating activities	**4,648**	5,787	-19.7
Net cash outflow for investing activities	**(2,740)**	(3,557)	-23.0
Net cash outflow for financing activities	**(2,044)**	(2,311)	-11.6
Net decrease in cash balance	**(136)**	(81)	67.9
Exchange effects on cash balance	**35**	21	64.2
Cash balance at beginning of year	**563**	623	-9.6
Cash balance at end of year	**462**	563	-17.9
Singtel [1]	**869**	1,379	-37.0
Optus	**631**	1,070	-41.0
Associates (net dividends after withholding tax)	**1,218**	1,100	10.7
Group free cash flow	**2,718**	3,549	-23.4
Optus (in A$)	***617***	*976*	*-36.8*
Cash capital expenditure as a percentage of operating revenue	**11%**	13%	

Note:
[1] Refers to Singtel Group excluding Optus.

The Group's net cash inflow from operating activities for the year fell 20% to S$4.65 billion. The decrease was due to unfavourable working capital movements and higher cash tax payments partly offset by higher associates' dividends. The negative working capital movements reflected higher vendor payments, increased investments in mobile acquisitions and retentions in Australia, as well as approximately S$280 million received from OpenNet last year on fibre rollout completion. The dividends from associates grew 11% due mainly to a one-off special dividend paid by Telkomsel during the year.

The investing cash outflow was S$2.74 billion. Capital expenditure totalled S$1.93 billion, comprising S$825 million for Singtel and S$1.11 billion (A$1.08 billion) for Optus. In Singtel, major capital investments in the year included S$324 million for fixed and data infrastructure, S$211 million for mobile networks and S$149 million for information systems. In Optus, capital investments in mobile networks amounted to A$536 million with the balance in fixed and other investments. Other investing cash flows included S$1.05 billion for the acquisition of Trustwave, S$214 million for Bharti Telecom Limited's rights issue, and a partial loan repayment of S$510 million from NetLink Trust.

With lower operating cash partially offset by lower cash capital expenditure, free cash flow amounted to S$2.72 billion, down 23% from last year.

Net cash outflow of S$2.04 billion for financing activities comprised mainly the payments of S$1.71 billion for final dividends in respect of the previous financial year ended 31 March 2015, and S$1.08 billion for interim dividends in respect of the current financial year. Other major financing cash flows included net increase in borrowings of S$1.13 billion and interest payments of S$336 million.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2016 (S$ million)	**2015 (S$ million)**
Current assets	**5,165**	4,768
Non-current assets	**38,400**	37,299
Total assets	**43,566**	42,067
Current liabilities	**6,540**	5,757
Non-current liabilities	**12,023**	11,542
Total liabilities	**18,563**	17,299
Net assets	**25,003**	24,768
Share capital	**2,634**	2,634
Retained earnings	**28,457**	27,471
Currency translation reserves [1]	**(4,940)**	(4,213)
Other reserves	**(1,161)**	(1,159)
Equity attributable to shareholders	**24,989**	24,733
Non-controlling interests and other reserve	**13**	35
Total equity	**25,003**	24,768

Note:

[1] 'Currency translation reserves' relate mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

The Group is in a strong financial position as at 31 March 2016. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

The net increase in total assets of S$1.50 billion from a year ago was mainly due to the addition of the acquired intangibles of Trustwave. The net increase in total liabilities of S$1.26 billion from a year ago was mainly due to increased borrowings for funding needs as well as for the acquisition of Trustwave.

The currency translation losses increased by S$727 million to S$4.94 billion from a year ago. This increase arose mainly from the translation of the Group's investments in Airtel and Telkomsel with the weaker Indian Rupee and Indonesian Rupiah against the Singapore Dollar from a year ago.

Management Discussion and Analysis

CAPITAL MANAGEMENT

GROUP	Financial Year Ended 31 March 2016	2015
Gross debt (S$ million)	**9,604**	8,526
Net debt [1] (S$ million)	**9,142**	7,963
Net debt gearing ratio [2] (%)	**26.8**	24.3
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.2**	1.0
Net debt to EBITDA and cash dividends from associates (number of times)	**1.4**	1.3
Interest cover [3] (number of times)	**25.3**	29.2

As at 31 March 2016, the Group's net debt was S$9.14 billion, 15% higher than a year ago.

The Group has one of the strongest credit ratings among telecommunication companies in the Asia Pacific region. Singtel is currently rated Aa3 by Moody's and A+ by Standard & Poor's. The Group continues to maintain a healthy capital structure.

Singtel maintained its dividend payout ratio at between 60% and 75% of underlying net profit. For the financial year ended 31 March 2016, the total dividend payout, including the proposed final dividend, was 17.5 cents per share or 73% of underlying net profit. The dividend payout is influenced by the Group's cash flow generation, including dividends from associates.

The Group remains committed to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility to pursue growth.

Notes:

(1) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

(2) Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and non-controlling interests.

(3) Interest cover refers to the ratio of EBITDA and share of associates' pre-tax profits to net interest expense.

SENSITIVITY ANALYSIS FOR CURRENCY TRANSLATION

If the relevant foreign currency changes against the Singapore Dollar by 10% with all other variables held constant, the currency translation impact on the Group's net profit is as follows:

	Change in Group's Net Profit FY 2016 S$ million	FY 2015 S$ million
Optus' net profit		
AUD/ S$		
- strengthened 10%	**92**	94
- weakened 10%	**(92)**	(94)
Share of Telkomsel's net profit		
IDR/ S$		
- strengthened 10%	**86**	74
- weakened 10%	**(86)**	(74)
Share of Airtel's net profit		
INR/ S$		
- strengthened 10%	**37**	34
- weakened 10%	**(37)**	(34)

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Directors' Statement

For the financial year ended 31 March 2016

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2016.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 127 to 221 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this report are –

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Bobby Chin Yoke Choong
Venkataraman Vishnampet Ganesan
Christina Hon Kwee Fong (Christina Ong)
Low Check Kian
Peter Edward Mason AM [1]
Peter Ong Boon Kwee
Teo Swee Lian (appointed on 13 April 2015)

Fang Ai Lian and Kaikhushru Shiavax Nargolwala, who served during the financial year, retired following the conclusion of the Annual General Meeting on 21 July 2015.

Note:
(1) Member of the Order of Australia

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

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan (the "**Singtel PSP 2003**"), the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").

Directors' Statement

For the financial year ended 31 March 2016

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
The Company				
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Claude Israel	**759,338** (1)	683,500	**1,360** (2)	1,360
Chua Sock Koong	**6,692,097** (3)	5,692,097	**4,777,845** (4)	4,458,159
Bobby Chin Yoke Choong	**–**	–	**–**	–
Low Check Kian	**1,490**	1,490	**–**	–
Peter Edward Mason AM	**–**	100,000	**–**	–
Christina Ong	**–**	–	**–**	–
Peter Ong Boon Kwee	**870**	870	**1,537** (2)	1,537
Teo Swee Lian	**1,550**	1,550	**–**	–
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	**3,341.45** (5)	3,200	**–**	–
Subsidiary Corporations				
Amobee Group Pte. Ltd.				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	**750,718**	–	**–**	–
Optus Finance Pty Limited				
(A$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	**1,600,000** (6)	–	**–**	–
Related Corporations				
Ascendas Funds Management (S) Limited				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	**1,000,000** (7)	–	**–**	–
Chua Sock Koong	**142,000**	–	**–**	–
(S$300,000,000 4.75% subordinated perpetual securities issued by Ascendas Real Estate Investment Trust)				
Chua Sock Koong	**S$250,000** (principal amount)	–	**–**	–

Directors' Statement

For the financial year ended 31 March 2016

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

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	**3,456,000** (6)	3,456,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**100,000** (2)	100,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	**1,000,000** (6)	1,000,000	**–**	–
Chua Sock Koong	**430,000**	430,000	**50,000** (2)	50,000
Peter Ong Boon Kwee	**–**	–	**32,000** (2)	32,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	**990,160** (6)	990,160	**–**	–
Chua Sock Koong	**11,000**	11,000	**–**	–
Bobby Chin Yoke Choong	**129,600**	129,600	**–**	–
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	**1,000,000** (6)	1,000,000	**–**	–
Neptune Orient Lines Limited				
(Ordinary shares)				
Bobby Chin Yoke Choong	**–**	–	**29,489** (2)	29,489
Olam International Limited				
(S$400,000,000 in principal amount of 4.25% bonds due 2019)				
Teo Swee Lian	**–**	S$250,000 (principal amount)	**–**	–
(Warrants over shares)				
Low Check Kian	**–**	–	**1,932,805** (8)	1,905,907

Directors' Statement

For the financial year ended 31 March 2016

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

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	**9,000** (9)	9,000	**–**	–
Chua Sock Koong	**2,000**	2,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**2,000** (2)	2,000
Low Check Kian	**5,600**	5,600	**–**	–
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	**1**	1	**–**	–
Tiger Airways Holdings Limited				
(Ordinary shares)				
Low Check Kian	**–**	8,325,000	**–**	–
(Perpetual convertible capital securities)				
Low Check Kian	**–**	937,500	**–**	–

Notes:

(1) 754,927 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.

(2) Held by Director's spouse.

(3) 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.

(4) Ms Chua Sock Koong's deemed interest of 4,777,845 shares included:

(a) 28,137 ordinary shares held by Ms Chua's spouse; and

(b) An aggregate of up to 4,749,708 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,055,463 ordinary shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel PSP 2003 and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.

(5) 1 American Depositary Share represents 10 ordinary shares in Singtel.

(6) Held in the name of Citibank Nominees Singapore Pte Ltd.

(7) 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.

(8) Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

(9) 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2016.

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES

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

The Singtel PSP 2003 was implemented with the approval of shareholders at the Extraordinary General Meeting held on 29 August 2003. The duration of the Singtel PSP 2003 was 10 years commencing 29 August 2003.

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

The Singtel PSP 2003 was terminated following the adoption of the Singtel PSP 2012, without prejudice to the rights of holders of awards accepted and outstanding under the Singtel PSP 2003 as at the date of such termination.

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

From the commencement of the performance share plans to 31 March 2016, awards comprising an aggregate of 229.7 million shares and 42.6 million shares have been granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES *(Cont'd)*

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

Date of grant	Balance as at 1 April 2015 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2016 ('000)
Share award for Chairman						
(Simon Claude Israel)						
13.08.15	**–**	**76**	**–**	**(76)**	**–**	**–**
Performance shares (Restricted Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
26.06.12	116	–	–	(116)	–	–
21.06.13	98	–	30	(64)	–	64
23.06.14	102	–	–	–	–	102
17.06.15	–	84	–	–	–	84
	316	84	30	(180)	–	250
For other staff						
26.06.12	4,048	–	–	(3,952)	(96)	–
05.10.12	29	–	–	(29)	–	–
25.03.13	38	–	–	(38)	–	–
21.06.13	4,141	–	1,197	(2,643)	(277)	2,418
30.09.13	12	–	4	(8)	–	8
23.06.14	4,971	–	1	(72)	(488)	4,412
17.09.14	27	–	–	–	(17)	10
23.12.14	18	–	–	–	(14)	4
17.06.15	–	4,254	–	(7)	(338)	3,909
28.09.15	–	23	–	–	–	23
05.01.16	–	7	–	–	–	7
	13,284	4,284	1,202	(6,749)	(1,230)	10,791
Sub-total	**13,600**	**4,368**	**1,232**	**(6,929)**	**(1,230)**	**11,041**

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2015 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2016 ('000)
Performance shares						
(Performance Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
26.06.12	1,273	–	–	(1,273)	–	–
21.06.13	1,418	–	–	–	–	1,418
23.06.14	1,423	–	–	–	–	1,423
17.06.15	–	1,659	–	–	–	1,659
	4,114	1,659	–	(1,273)	–	4,500
For other staff						
26.06.12	5,541	–	–	(5,522)	(19)	–
05.10.12	146	–	–	(146)	–	–
25.03.13	11	–	–	(11)	–	–
21.06.13	6,992	–	–	–	(97)	6,895
30.09.13	15	–	–	–	–	15
23.06.14	6,891	–	–	–	(145)	6,746
17.09.14	15	–	–	–	–	15
23.12.14	220	–	–	–	(214)	6
17.06.15	–	7,652	–	–	(90)	7,562
28.09.15	–	125	–	–	–	125
05.01.16	–	32	–	–	–	32
	19,831	7,809	–	(5,679)	(565)	21,396
Sub-total	**23,945**	**9,468**	**–**	**(6,952)**	**(565)**	**25,896**
Total	**37,545**	**13,912**	**1,232**	**(13,957)**	**(1,795)**	**36,937**

During the financial year, awards in respect of an aggregate of 10.9 million and 3.1 million shares granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

As at 31 March 2016, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2003 and the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of –

(i) the total number of new shares available under the Singtel PSP 2003 and the Singtel PSP 2012; and

(ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2003 and the Singtel PSP 2012.

Directors' Statement

For the financial year ended 31 March 2016

5. SHARE OPTION PLANS

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

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

Amobee Group Pte. Ltd.

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

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

From April 2015 to 31 March 2016, options in respect of an aggregate of 55.0 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2016, options in respect of an aggregate of 43.3 million ordinary shares in Amobee are outstanding.

Options have been granted on 10 April 2015 with an exercise price of US$0.79 per share and on 14 October 2015 with an exercise price of US$0.79 per share or US$0.54 per share. The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

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

Trustwave Holdings, Inc.

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

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

From December 2015 to 31 March 2016, options in respect of an aggregate of 1.5 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2016, options in respect of an aggregate of 1.4 million of common stock in Trustwave are outstanding.

Options have been granted to employees of Trustwave and its subsidiaries on 1 December 2015 and 22 January 2016 with an exercise price of US$16.79 per share. The term of each option granted to such employees is 10 years from the date of grant.

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

Directors' Statement

For the financial year ended 31 March 2016

6. AUDIT COMMITTEE

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

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Christina Hon Kwee Fong (Christina Ong)
Peter Ong Boon Kwee
Teo Swee Lian

Fang Ai Lian, who served during the financial year, retired as Chairman of the Audit Committee following the conclusion of the Annual General Meeting on 21 July 2015.

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

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

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon.

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

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

The Committee has nominated Deloitte & Touche LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

7. AUDITOR

The auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
11 May 2016

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2016

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Singapore Telecommunications Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2016, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 127 to 221.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2016, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition We have identified three critical areas in relation to revenue set out below that we consider significant either because of the complexity of the operation of billing systems or because of the required exercise of judgement: • accounting for long-term contracts, particularly with respect to Group Enterprise Infocomm Technology ("**ICT**") projects; • accounting for new products and tariffs introduced in the year; and • the timing of revenue recognition. The accounting policies for revenue recognition are set out in Note 2.20 to the financial statements and the different revenue streams for the Group have been disclosed in Note 4 to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We performed procedures to identify Group Enterprise ICT contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions. • We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions. In doing so, we involved our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2016

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition *(Cont'd)*	• We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing systems. We tested the access controls and change management controls for the Group's billing systems. • We tested samples of customer bills for accuracy for new products and tariffs introduced in the year. • We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported. • We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items. We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis. We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams. No exceptions were noted in the key reconciliations and manual journal entries which may result in significant misstatements in revenue recorded in the year.
Acquisition of Trustwave – purchase price allocation In September 2015, the Group completed the acquisition of Trustwave Holdings, Inc. ("**Trustwave**"). FRS 103 *Business Combinations* requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill. This requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The intangible assets and goodwill recognised amounted to S$186.8 million and S$1,069.8 million, respectively. The Group's disclosure of the business combination accounting applied to the acquisition of Trustwave is set out in Note 1(a) to the consolidated statement of cash flows.	We have discussed with management and their external specialists on the purchase price allocation, and engaged our valuation specialists to assist in the audit of the purchase price allocation, including the identification and valuation of intangible assets acquired. We challenged the appropriateness of the useful lives assigned to the identified intangible assets, having regard to the expected use of these assets. Based on our procedures, we noted that the purchase price allocation has been performed in accordance with FRS 103 *Business Combinations*, including the disclosures thereon, and that the intangible assets identified are appropriate and within expectations for the industry. We also noted management's key assumptions applied in the purchase price allocation in arriving at the fair value of the assets acquired and liabilities assumed, including the fair valuation of identified intangible assets, to be within a reasonable range of our audit expectations.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2016

Key Audit Matters	Our audit performed and responses thereon
Taxation The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities. The Group is currently responding to an ongoing specific issue audit by the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Singtel Optus Pty Limited ("**Optus**"). The Group has engaged and involved external specialists to advise management on this specific issue audit and in its responses to the ATO. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved. The Group has made disclosures on the above matter in Note 40(b) to the financial statements.	We have involved our tax specialists to assist us in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group. We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case with the specialists. Based on our procedures, we believe that the position taken by the Group is appropriate. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.
Goodwill impairment review Under FRSs, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates, particularly those affecting the business of Optus, Amobee, Inc. and Trustwave. The aggregated goodwill in Optus, Amobee, Inc. and Trustwave constituted 25.3% of the Group's total assets at 31 March 2016. The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.	Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included: • using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate, and comparing the independent expectations to those used by management; • challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; and • by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them. Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2016

Key Audit Matters	Our audit performed and responses thereon
Bharti Airtel – goodwill impairment evaluation and regulatory and tax disputes Bharti Airtel Limited ("**Airtel**"), a joint venture of the Group, has recorded significant goodwill arising from the acquisition of Airtel Africa in June 2010 and reported contingent liabilities, of which the Group's share is considered material. This goodwill recorded by Airtel is required to be tested for impairment at least annually. As the amount of goodwill recorded is material, an impairment thereof may materially affect the Group's share of the joint venture's results. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets in Africa. The Group's carrying value in Airtel is disclosed in Note 22 to the financial statements. The reported contingent liabilities from Airtel include both regulatory and tax disputes that mainly arose from its operations in India and certain markets in Africa. Airtel have engaged and involved specialists to advise them on such disputes and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The Group's share of Airtel's contingencies have been disclosed in Note 41(a) to the financial statements.	Our audit procedures included the review of relevant working papers of the auditors of Airtel (the "**Component Auditors**"), with particular focus on those related to the goodwill impairment review and regulatory and tax disputes. We also discussed with Airtel management, Component Auditors and specialists used by them, including those engaged to assist the Component Auditors in evaluating the contingencies and those assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management. We also reviewed legal advices received by Airtel for certain of the key contingencies that are significant to the Group, including evaluating the adequacy of disclosure thereon. The Group's share of Airtel's results is calculated based on Airtel's audited financial statements on which the Component Auditors have expressed an unmodified opinion.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2016

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Chaly Mah Chee Kheong.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

11 May 2016

Consolidated Income Statement

For the financial year ended 31 March 2016

	Notes	2016 S$ Mil	2015 S$ Mil
Operating revenue	4	**16,961.2**	17,222.9
Operating expenses	5	**(12,096.8)**	(12,283.6)
Other income	6	**148.3**	151.4
		5,012.7	5,090.7
Depreciation and amortisation	7	**(2,148.8)**	(2,161.4)
Exceptional items	8	**(44.8)**	14.8
Profit on operating activities		**2,819.1**	2,944.1
Share of results of associates and joint ventures	9	**2,026.6**	1,735.3
Profit before interest, investment income (net) and tax		**4,845.7**	4,679.4
Interest and investment income (net)	10	**94.7**	92.8
Finance costs	11	**(359.6)**	(309.2)
Profit before tax		**4,580.8**	4,463.0
Tax expense	12	**(722.5)**	(678.5)
Profit after tax		**3,858.3**	3,784.5
Attributable to -			
Shareholders of the Company		**3,870.8**	3,781.5
Non-controlling interests		**(12.5)**	3.0
		3,858.3	3,784.5
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**24.29**	23.73
- diluted (cents)	13	**24.26**	23.67

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2016

	2016 S$ Mil	2015 S$ Mil
Profit after tax	**3,858.3**	3,784.5
Other comprehensive (loss)/ income:		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**(728.0)**	(519.8)
Cash flow hedges		
- Fair value changes during the year	**(23.3)**	499.8
- Tax effects	**(10.0)**	(32.4)
	(33.3)	467.4
- Fair value changes transferred to income statement	**21.1**	(363.8)
- Tax effects	**11.1**	31.3
	32.2	(332.5)
	(1.1)	134.9
Available-for-sale investments		
- Fair value changes during the year	**(87.5)**	21.8
Share of other comprehensive income of associates and joint ventures	**81.5**	139.0
Other comprehensive loss, net of tax	**(735.1)**	(224.1)
Total comprehensive income	**3,123.2**	3,560.4
Attributable to -		
Shareholders of the Company	**3,136.7**	3,556.9
Non-controlling interests	**(13.5)**	3.5
	3,123.2	3,560.4

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Statements of Financial Position

As at 31 March 2016

	Notes	Group 2016 S$ Mil	Group 2015 S$ Mil	Company 2016 S$ Mil	Company 2015 S$ Mil
Current assets					
Cash and cash equivalents	15	**461.8**	562.8	**83.7**	83.5
Trade and other receivables	16	**4,366.4**	3,885.2	**3,029.4**	2,442.4
Derivative financial instruments	25	**17.5**	29.8	**9.5**	29.9
Inventories	17	**319.7**	289.8	**21.5**	26.8
		5,165.4	4,767.6	**3,144.1**	2,582.6
Non-current assets					
Property, plant and equipment	18	**11,154.0**	10,683.2	**2,171.4**	2,047.2
Intangible assets	19	**12,968.4**	11,948.6	**0.3**	0.7
Subsidiaries	20	**–**	–	**14,182.3**	13,515.0
Associates	21	**356.3**	275.2	**603.5**	603.5
Joint ventures	22	**10,729.9**	10,571.0	**21.2**	22.1
Available-for-sale ("**AFS**") investments	24	**147.5**	268.3	**35.1**	43.6
Derivative financial instruments	25	**622.6**	742.1	**321.0**	463.5
Deferred tax assets	12	**692.3**	803.8	**–**	–
Loan to an associate	26	**1,100.5**	1,610.5	**1,100.5**	1,610.5
Other non-current receivables	27	**628.8**	396.5	**175.4**	182.6
		38,400.3	37,299.2	**18,610.7**	18,488.7
Total assets		**43,565.7**	42,066.8	**21,754.8**	21,071.3
Current liabilities					
Trade and other payables	28	**4,594.0**	4,458.5	**1,582.2**	1,386.2
Advance billings		**800.2**	614.0	**76.2**	68.9
Provision	29	**3.1**	5.8	**2.2**	3.4
Current tax liabilities		**364.4**	419.4	**94.1**	140.2
Borrowings (unsecured)	30	**595.5**	150.0	**–**	–
Borrowings (secured)	31	**90.2**	24.4	**1.5**	1.5
Derivative financial instruments	25	**24.6**	16.8	**13.7**	1.9
Net deferred gain	26	**67.9**	67.9	**–**	–
		6,539.9	5,756.8	**1,769.9**	1,602.1
Non-current liabilities					
Borrowings (unsecured)	30	**9,019.0**	8,590.9	**747.2**	925.2
Borrowings (secured)	31	**236.0**	213.5	**158.8**	160.4
Advance billings		**265.5**	265.3	**139.5**	150.8
Net deferred gain	26	**1,323.3**	1,369.8	**–**	–
Derivative financial instruments	25	**316.2**	265.4	**416.7**	447.3
Deferred tax liabilities	12	**585.3**	521.7	**270.5**	248.9
Other non-current liabilities	32	**278.0**	315.5	**18.4**	30.0
		12,023.3	11,542.1	**1,751.1**	1,962.6
Total liabilities		**18,563.2**	17,298.9	**3,521.0**	3,564.7
Net assets		**25,002.5**	24,767.9	**18,233.8**	17,506.6
Share capital and reserves					
Share capital	33	**2,634.0**	2,634.0	**2,634.0**	2,634.0
Reserves		**22,355.2**	22,099.3	**15,599.8**	14,872.6
Equity attributable to shareholders of the Company		**24,989.2**	24,733.3	**18,233.8**	17,506.6
Non-controlling interests		**35.7**	34.6	**–**	–
Other reserve		**(22.4)**	–	**–**	–
Total equity		**25,002.5**	24,767.9	**18,233.8**	17,506.6

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Statements of Changes in Equity

For the financial year ended 31 March 2016

Group – 2016	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2][3] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [4] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve [5] S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company											
Balance as at 1 April 2015	2,634.0	(39.2)	(114.9)	(4,213.3)	(3.9)	128.0	27,471.1	(1,128.5)	24,733.3	34.6	–	24,767.9
Changes in equity for the year												
Performance shares purchased by the Company	–	(5.0)	–	–	–	–	–	–	(5.0)	–	–	(5.0)
Performance shares purchased by Trust [6]	–	(23.5)	–	–	–	–	–	–	(23.5)	–	–	(23.5)
Performance shares vested	–	37.1	(37.1)	–	–	–	–	–	–	–	–	–
Equity-settled share-based payment	–	–	33.2	–	–	–	–	–	33.2	–	–	33.2
Transfer of liability to equity	–	–	16.4	–	–	–	–	–	16.4	–	–	16.4
Cash paid to employees under performance share plans	–	–	(0.5)	–	–	–	–	–	(0.5)	–	–	(0.5)
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	–	–	(16.1)	–	–	–	–	–	(16.1)	–	–	(16.1)
Share of other reserves of associates and joint ventures	–	–	2.6	–	–	–	–	(2.9)	(0.3)	–	–	(0.3)
Final dividend paid (see **Note 34**)	–	–	–	–	–	–	(1,705.4)	–	(1,705.4)	–	–	(1,705.4)
Interim dividend paid (see **Note 34**)	–	–	–	–	–	–	(1,083.8)	–	(1,083.8)	–	–	(1,083.8)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(4.9)	–	(4.9)
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	21.2	–	21.2
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	(2.4)	(22.4)	(24.8)
Others [7]	–	–	–	–	–	–	(95.8)	–	(95.8)	0.7	–	(95.1)
	–	8.6	(1.5)	–	–	–	(2,885.0)	(2.9)	(2,880.8)	14.6	(22.4)	(2,888.6)
Total comprehensive (loss)/ income for the year	–	–	–	(727.0)	(1.1)	(87.5)	3,870.8	81.5	3,136.7	(13.5)	–	3,123.2
Balance as at 31 March 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Statements of Changes in Equity

For the financial year ended 31 March 2016

	Attributable to shareholders of the Company										
Group – 2015	**Share Capital S$ Mil**	**Treasury Shares [1] S$ Mil**	**Capital Reserve S$ Mil**	**Currency Translation Reserve [2] S$ Mil**	**Hedging Reserve S$ Mil**	**Fair Value Reserve S$ Mil**	**Retained Earnings S$ Mil**	**Other Reserves [4] S$ Mil**	**Total S$ Mil**	**Non-controlling Interests S$ Mil**	**Total Equity S$ Mil**
Balance as at 1 April 2014	2,634.0	(38.6)	(99.0)	(3,693.0)	(138.8)	106.2	26,366.5	(1,269.1)	23,868.2	24.4	23,892.6
Changes in equity for the year											
Performance shares purchased by the Company	–	(6.2)	–	–	–	–	–	–	(6.2)	–	(6.2)
Performance shares purchased by Trust [6]	–	(32.8)	–	–	–	–	–	–	(32.8)	–	(32.8)
Performance shares vested	–	38.4	(38.4)	–	–	–	–	–	–	–	–
Equity-settled share-based payment	–	–	24.4	–	–	–	–	–	24.4	–	24.4
Transfer of liability to equity	–	–	15.2	–	–	–	–	–	15.2	–	15.2
Cash paid to employees under performance share plans	–	–	(0.2)	–	–	–	–	–	(0.2)	–	(0.2)
Performance shares purchased by Optus and vested	–	–	(15.7)	–	–	–	–	–	(15.7)	–	(15.7)
Share of other reserves of associates and joint ventures	–	–	(1.2)	–	–	–	–	1.6	0.4	–	0.4
Final dividend paid (see **Note 34**)	–	–	–	–	–	–	(1,593.8)	–	(1,593.8)	–	(1,593.8)
Interim dividend paid (see **Note 34**)	–	–	–	–	–	–	(1,083.7)	–	(1,083.7)	–	(1,083.7)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(5.7)	(5.7)
Contribution by non-contolling interests	–	–	–	–	–	–	–	–	–	12.9	12.9
Others	–	–	–	–	–	–	0.6	–	0.6	(0.5)	0.1
	–	(0.6)	(15.9)	–	–	–	(2,676.9)	1.6	(2,691.8)	6.7	(2,685.1)
Total comprehensive (loss)/ income for the year	–	–	–	(520.3)	134.9	21.8	3,781.5	139.0	3,556.9	3.5	3,560.4
Balance as at 31 March 2015	2,634.0	(39.2)	(114.9)	(4,213.3)	(3.9)	128.0	27,471.1	(1,128.5)	24,733.3	34.6	24,767.9

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Statements of Changes in Equity

For the financial year ended 31 March 2016

Company – 2016	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2015	**2,634.0**	**(3.9)**	**(70.8)**	**12.9**	**34.0**	**14,900.4**	**17,506.6**
Changes in equity for the year							
Performance shares purchased by the Company	–	(4.8)	–	–	–	–	(4.8)
Performance shares vested	–	7.5	(7.5)	–	–	–	–
Equity-settled share-based payment	–	–	11.3	–	–	–	11.3
Transfer of liability to equity	–	–	16.4	–	–	–	16.4
Cash paid to employees under performance share plans	–	–	(0.5)	–	–	–	(0.5)
Contribution to Trust [6]	–	–	(20.2)	–	–	–	(20.2)
Final dividend paid (see **Note 34**)	–	–	–	–	–	(1,705.9)	(1,705.9)
Interim dividend paid (see **Note 34**)	–	–	–	–	–	(1,084.2)	(1,084.2)
	–	2.7	(0.5)	–	–	(2,790.1)	(2,787.9)
Total comprehensive income/ (loss) for the year	–	–	–	33.8	(8.5)	3,489.8	3,515.1
Balance as at 31 March 2016	**2,634.0**	**(1.2)**	**(71.3)**	**46.7**	**25.5**	**15,600.1**	**18,233.8**

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Statements of Changes in Equity

For the financial year ended 31 March 2016

Company – 2015	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2014	2,634.0	(1.4)	(67.4)	(104.5)	45.3	14,393.3	16,899.3
Changes in equity for the year							
Performance shares purchased by the Company	–	(5.9)	–	–	–	–	(5.9)
Performance shares vested	–	3.4	(3.6)	–	–	–	(0.2)
Equity-settled share-based payment	–	–	12.8	–	–	–	12.8
Transfer of liability to equity	–	–	15.2	–	–	–	15.2
Cash paid to employees under performance share plans	–	–	(0.2)	–	–	–	(0.2)
Contribution to Trust [6]	–	–	(27.6)	–	–	–	(27.6)
Final dividend paid (see **Note 34**)	–	–	–	–	–	(1,594.3)	(1,594.3)
Interim dividend paid (see **Note 34**)	–	–	–	–	–	(1,084.2)	(1,084.2)
	–	(2.5)	(3.4)	–	–	(2,678.5)	(2,684.4)
Total comprehensive income/ (loss) for the year	–	–	–	117.4	(11.3)	3,185.6	3,291.7
Balance as at 31 March 2015	2,634.0	(3.9)	(70.8)	12.9	34.0	14,900.4	17,506.6

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: Disclosure and Presentation.***

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) In March 2016, the currency translation loss of S$56 million in respect of the translation of Pacific Bangladesh Telecom Limited (45%-owned joint venture) has been transferred to the income statement upon the loss of joint control (see **Note 8**).

(4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(5) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.

(6) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

(7) This includes an amount of S$97.4 million arising from re-assessments of future tax benefits on certain items of property, plant and equipment in respect of prior years (see **Note 12.2**).

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report – pages 122 to 126

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2016

	2016 S$ Mil	2015 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**4,580.8**	4,463.0
Adjustments for -		
Depreciation and amortisation	**2,148.8**	2,161.4
Share of results of associates and joint ventures	**(2,026.6)**	(1,735.3)
Exceptional items (non-cash)	**(2.4)**	(57.7)
Interest and investment income (net)	**(94.7)**	(92.8)
Finance costs	**359.6**	309.2
Other non-cash items	**34.4**	36.7
	419.1	621.5
Operating cash flow before working capital changes	**4,999.9**	5,084.5
Changes in operating assets and liabilities		
Trade and other receivables	**(610.0)**	(625.6)
Trade and other payables	**(392.5)**	802.0
Inventories	**(28.9)**	(107.1)
Currency translation adjustments	**(10.2)**	16.9
Cash generated from operations	**3,958.3**	5,170.7
Dividends received from associates and joint ventures	**1,350.7**	1,215.2
Income tax and withholding tax paid	**(658.2)**	(598.2)
Payment to employees in cash under performance share plans	**(3.1)**	(1.1)
Net cash inflow from operating activities	**4,647.7**	5,786.6
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	**(1,930.0)**	(2,237.6)
Payment for acquisition of subsidiaries, net of cash acquired (**Note 1**)	**(1,059.4)**	(449.5)
Investment in associates and joint ventures	**(215.4)**	(1.4)
Purchase of intangible assets	**(173.3)**	(966.0)
Investment in AFS investments	**(38.6)**	(23.1)
Withholding tax paid on intra-group interest income	**(26.9)**	(31.5)
Payment for acquisition of non-controlling interests	**–**	(2.9)
Repayment of loan by an associate	**510.0**	–
Proceeds from sale of AFS investments	**81.3**	75.0
Interest received	**68.1**	42.3
Contribution from non-controlling interests	**21.2**	13.1
Deferred proceeds/ proceeds from disposal of associates and joint ventures	**15.6**	–
Proceeds from capital reduction of associates and joint ventures	**–**	6.0
Proceeds from sale of property, plant and equipment	**5.7**	15.2
Dividends received from AFS investments (net of withholding tax paid)	**1.7**	3.2
Proceeds from sale of intangible assets	**–**	0.3
Net cash outflow from investing activities	**(2,740.0)**	(3,556.9)

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report –pages 122 to 126

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2016

	Note	2016 S$ Mil	2015 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**5,849.5**	4,915.0
Repayment of term loans		**(6,058.2)**	(4,464.8)
Proceeds from bond issue		**1,321.1**	300.0
Proceeds from finance lease liabilites		**57.4**	30.4
Finance lease payments		**(41.1)**	(43.4)
Net proceeds from borrowings		**1,128.7**	737.2
Final dividend paid to shareholders of the Company		**(1,705.4)**	(1,593.8)
Interim dividend paid to shareholders of the Company		**(1,083.8)**	(1,083.7)
Net interest paid on borrowings and swaps		**(335.6)**	(307.3)
Purchase of performance shares		**(44.1)**	(54.7)
Dividend paid to non-controlling interests		**(4.9)**	(5.7)
Others		**1.6**	(2.6)
Net cash outflow from financing activities		**(2,043.5)**	(2,310.6)
Net decrease in cash and cash equivalents		**(135.8)**	(80.9)
Exchange effects on cash and cash equivalents		**34.8**	21.2
Cash and cash equivalents at beginning of year		**562.8**	622.5
Cash and cash equivalents at end of year	15	**461.8**	562.8

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report –pages 122 to 126

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2016

Note 1: Payments for acquisition of subsidiaries

(a) On 1 September 2015, Singtel acquired 98% of the share capital of Trustwave Holdings, Inc. for S$1.08 billion (US$769 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	Year ended 31 March 2016 S$ Mil
Identifiable intangible assets	186.8
Non-current assets	38.7
Cash and cash equivalents	28.7
Current assets (excluding cash and cash equivalents)	86.8
Total liabilities	(329.4)
Non-controlling interests	2.2
Net assets acquired	13.8
Goodwill	1,069.8
Total cash consideration	1,083.6
Less: Cash and cash equivalents acquired	(28.7)
Net outflow of cash	**1,054.9**

The above acquisition had no material impact on the Group's consolidated income statement, both from the date of acquisition as well as assuming the acquisition had been effected as at 1 April 2015.

(b) During the financial year, deferred payments of S$4.5 million were made mainly in respect of the acquisition of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**").

(c) In the previous financial year, the Group made payments to acquire Kontera Technologies, Inc., Adconion and Ensyst Pty Limited for S$176 million, S$251 million and S$10 million respectively, and also made deferred payments of S$12 million in respect of the acquisitions of Amobee, Inc. and Pixable, Inc.

Note 2: Non-cash transactions

In March 2016, Singtel received a dividend distribution of S$60 million from NetLink Trust, a 100%-owned associate of Singtel, which was offset against an amount due to NetLink Trust.

In October 2014, Singtel sold certain infrastructure assets to NetLink Trust for an aggregate consideration of S$280 million. The aggregate consideration paid by NetLink Trust was financed by an interest-bearing loan from Singtel.

The accompanying notes on pages 137 to 221 form an integral part of these financial statements.
Independent Auditor's Report –pages 122 to 126

Notes to the Financial Statements

For the financial year ended 31 March 2016

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

1. GENERAL

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

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the subsidiaries are disclosed in **Note 43**.

Under a licence granted by the Infocomm Development Authority of Singapore ("**IDA**"), the Group had the exclusive rights to provide fixed national and international telecommunications services through 31 March 2000 (with limited exceptions) and public cellular mobile telephone services through 31 March 1997. From the expiry of the exclusive rights, the Group's licences for these telecommunications services continue on a non-exclusive basis to 31 March 2017.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights from IDA to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence from the Media Development Authority of Singapore for the purpose of providing subscription nationwide television services.

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

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 11 May 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

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

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which were mandatory from 1 April 2015 had no significant impact on the financial statements of the Group or the Company in the current financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.2 Group Accounting

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

2.2.1 Subsidiaries

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

2.2.2 Associates

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

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

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

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

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

2.2.3 Joint ventures

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.2.4 Dividends from associates and joint ventures

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

2.2.5 Structured entity

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

2.2.6 Business combinations

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

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

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

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

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

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

2.3 Share Capital

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.4 Investments in Subsidiaries, Associates and Joint Ventures

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

2.5 Investments

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

2.5.1 Available-for-sale ("AFS") investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to the 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.6.1 Hedge accounting *(Cont'd)*

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

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

Net investment hedge

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.7 Fair Value Estimation of Financial Instruments

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

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

Bank balances, receivables and payables, current borrowings
The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

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

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

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

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

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

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are recognised initially at fair values and, other than those that meet the definition of equity instruments, are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method. Hedged borrowings are accounted for in accordance with the accounting policies set out in **Note 2.6.1**.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the accumulated translation differences relating to the disposal are taken to the consolidated income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve'. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3**.

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to income statement when the entity is disposed of or when the goodwill is impaired.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.15.1 Goodwill *(Cont'd)*

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Expenditure on telecommunication and spectrum licences is capitalised and amortised using the straight-line method over their estimated useful lives of 4 to 25 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at costs less progress payments received and receivable on uncompleted information technology projects, and fibre rollout. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity and associated profits recognised on projects-in-progress.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows –

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 10
Other plant and equipment	3 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs to acquire computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.18 Property, Plant and Equipment *(Cont'd)*

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where –

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.19.5 Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional service are recognised upon full completion of the projects.

Revenue from sale of perpetual software licenses and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares and share options

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition and Retention Costs

Customer acquisition and retention costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

2.27 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

Notes to the Financial Statements

For the financial year ended 31 March 2016

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates

The following presents a summary of the critical accounting estimates and judgements –

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 23**. The carrying values of associates and joint ventures including goodwill capitalised are stated in **Note 21** and **Note 22** respectively.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 26**, although the Company holds 100% of the units in NetLink Trust, the Company does not control but has significant influence in the trust in accordance with FRS 28, *Investments in Associates and Joint Ventures*. Therefore, NetLink Trust has been accounted for as an associate of the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2016

3.5 Taxation

3.5.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.5.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.6 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.7 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.8 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2016, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 40**.

The Group also reported contingent liabilities of its joint ventures. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved. The Group's share of joint ventures' contingent liabilities have been disclosed in **Note 41**.

3.9 Purchase Price Allocation

The Group completed the acquisition of Trustwave in September 2015. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The Group's disclosure on the above is set out in **Note 1(a)** to the Consolidated Statement of Cash Flows.

Notes to the Financial Statements

For the financial year ended 31 March 2016

4. OPERATING REVENUE

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Mobile communications	**6,713.5**	7,242.3
Data and Internet [1]	**3,138.1**	3,176.9
Managed services	**2,013.6**	1,801.0
Business solutions	**636.9**	603.4
Infocomm Technology	**2,650.5**	2,404.4
Sale of equipment	**1,801.9**	1,554.6
National telephone [1]	**1,128.1**	1,279.5
International telephone	**541.9**	627.6
Digital businesses	**476.2**	333.2
Pay television	**284.9**	301.8
Others	**226.1**	302.6
Operating revenue	**16,961.2**	17,222.9
Operating revenue	**16,961.2**	17,222.9
Other income (see **Note 6**)	**148.3**	151.4
Interest and investment income (see **Note 10**)	**95.7**	92.4
Total revenue	**17,205.2**	17,466.7

Note:
(1) Comparatives have been reclassified to be consistent with the current year.

5. OPERATING EXPENSES

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Selling and administrative costs [1] [2]	**3,388.2**	3,759.0
Staff costs [2]	**2,457.4**	2,467.3
Cost of equipment sold	**2,224.5**	2,147.3
Traffic expenses	**2,211.8**	2,548.5
Other cost of sales [2]	**1,456.1**	1,022.2
Repairs and maintenance	**358.8**	339.3
	12,096.8	12,283.6

Notes:
(1) Includes mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.
(2) Comparatives have been reclassified to be consistent with the current year.

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.1 Staff Costs

	Group 2016 S$ Mil	Group 2015 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**240.9**	223.6
Performance share and share option expenses (net)		
- equity-settled arrangements	**33.2**	24.4
- cash-settled arrangements	**(5.1)**	28.3

5.2 Key Management Personnel Compensation

	Group 2016 S$ Mil	Group 2015 S$ Mil
Key management personnel compensation [(1)]		
Executive director [(2)]	**6.4**	5.6
Other key management personnel [(3)]	**11.3**	10.4
	17.7	16.0
Directors' remuneration [(4)]	**2.6**	2.5
	20.3	18.5

Notes:

(1) Comprise base salary, annual wage supplement, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,743,040 (2015: 1,524,760) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$1.7 million (2015: S$6.0 million).

(3) The other key management personnel of the Group comprise the Group Chief Corporate Officer, the Chief Executive Officer of Consumer Australia and the Chief Executive Officer of Group Enterprise.

The other key management personnel were awarded up to 2,216,951 (2015: 1,939,323) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$2.1 million (2015: S$7.5 million).

(4) Directors' remuneration comprised the following:

(i) Directors' fees of S$2.6 million (2015: S$2.5 million), including fees paid to certain directors in their capacities as members of Optus Advisory Committee and Technology Advisory Panel, and director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of Chairman of S$21,879 (2015: S$18,089).

In addition to the directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 750,718 (2015: Nil) of share options pursuant to the Amobee LTI Plan during the year, subject to certain terms and conditions being met. The share option expense computed in accordance with FRS 102, *Share-based Payment*, was S$0.1 million (2015: Nil).

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior employees to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2016	Outstanding as at 1 April 2015 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2016 '000
Date of grant						
FY 2013 [1]						
26 June 2012	**4,164**	**–**	**–**	**(4,068)**	**(96)**	**–**
October 2012 to March 2013	**67**	**–**	**–**	**(67)**	**–**	**–**
FY 2014						
21 June 2013	**4,239**	**–**	**1,227**	**(2,707)**	**(277)**	**2,482**
September 2013 to March 2014	**12**	**–**	**4**	**(8)**	**–**	**8**
FY 2015						
23 June 2014	**5,073**	**–**	**1**	**(72)**	**(488)**	**4,514**
September 2014 to March 2015	**45**	**–**	**–**	**–**	**(31)**	**14**
FY 2016						
17 June 2015	**–**	**4,338**	**–**	**(7)**	**(338)**	**3,993**
September 2015 to March 2016	**–**	**30**	**–**	**–**	**–**	**30**
	13,600	**4,368**	**1,232**	**(6,929)**	**(1,230)**	**11,041**

Note:

(1) "FY2013" denotes financial year ended 31 March 2013.

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2015	Outstanding as at 1 April 2014 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2015 '000
Date of grant						
FY 2013						
26 June 2012	4,660	–	1,309	(1,599)	(206)	4,164
October 2012 to March 2013	69	–	21	(23)	–	67
FY 2014						
21 June 2013	4,721	–	–	(89)	(393)	4,239
September 2013 to March 2014	12	–	–	–	–	12
FY 2015						
23 June 2014	–	5,238	–	(6)	(159)	5,073
September 2014 to March 2015	–	45	–	–	–	45
	9,462	5,283	1,330	(1,717)	(758)	13,600

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 21 June 2013	Date of grant 23 June 2014	Date of grant 17 June 2015
Fair value at grant date	S$3.28	S$3.48	S$3.79
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	13.4%	15.2%	14.8%
MSCI Asia Pacific Telco Index	8.2%	9.5%	10.2%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2013	36 months historical volatility preceding May 2014	36 months historical volatility preceding May 2015
Risk free interest rates			
Yield of Singapore Government Securities on	5 June 2013	4 June 2014	4 June 2015

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2016	**Date of grant**		
	21 June 2013	**23 June 2014**	**17 June 2015**
Fair value at 31 March 2016	S$3.82	S$3.73	S$3.55
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.0%	16.0%	16.0%
MSCI Asia Pacific Telco Index	11.4%	11.4%	11.4%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2016		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2016	31 March 2016	31 March 2016

Cash-settled 2015	**Date of grant**		
	26 June 2012	**21 June 2013**	**23 June 2014**
Fair value at 31 March 2015	S$4.38	S$4.29	S$4.11
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.2%	15.2%	15.2%
MSCI Asia Pacific Telco Index	10.6%	10.6%	10.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2015		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2015	31 March 2015	31 March 2015

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3.1 Performance share plans *(Cont'd)*

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2016	Outstanding as at 1 April 2015 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2016 '000
Date of grant					
FY 2013					
26 June 2012	**6,814**	**–**	**(6,795)**	**(19)**	**–**
October 2012 to March 2013	**157**	**–**	**(157)**	**–**	**–**
FY 2014					
21 June 2013	**8,410**	**–**	**–**	**(97)**	**8,313**
September 2013 to March 2014	**15**	**–**	**–**	**–**	**15**
FY 2015					
23 June 2014	**8,314**	**–**	**–**	**(145)**	**8,169**
September 2014 to March 2015	**235**	**–**	**–**	**(214)**	**21**
FY 2016					
17 June 2015	**–**	**9,311**	**–**	**(90)**	**9,221**
September 2015 to March 2016	**–**	**157**	**–**	**–**	**157**
	23,945	**9,468**	**(6,952)**	**(565)**	**25,896**

Group and Company 2015	Outstanding as at 1 April 2014 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2015 '000
Date of grant					
FY 2013					
26 June 2012	7,058	–	(40)	(204)	6,814
October 2012 to March 2013	157	–	–	–	157
FY 2014					
21 June 2013	9,186	–	(8)	(768)	8,410
September 2013 to March 2014	15	–	–	–	15
FY 2015					
23 June 2014	–	8,528	–	(214)	8,314
September 2014 to March 2015	–	235	–	–	235
	16,416	**8,763**	**(48)**	**(1,186)**	**23,945**

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3.1 Performance share plans *(Cont'd)*

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 21 June 2013	 23 June 2014	 17 June 2015
Fair value at grant date	S$2.16	S$2.36	S$1.17
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	13.4%	15.2%	14.8%
MSCI Asia Pacific Telco Index	8.2%	9.5%	10.2%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2013	36 months historical volatility preceding May 2014	36 months historical volatility preceding May 2015
Risk free interest rates			
Yield of Singapore Government Securities on	5 June 2013	4 June 2014	4 June 2015

Cash-settled 2016	Date of grant 21 June 2013	 23 June 2014	 17 June 2015
Fair value at 31 March 2016	–	S$1.70	S$0.76
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.0%	16.0%	16.0%
MSCI Asia Pacific Telco Index	11.4%	11.4%	11.4%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2016		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2016	31 March 2016	31 March 2016

Cash-settled 2015	Date of grant 26 June 2012	 21 June 2013	 23 June 2014
Fair value at 31 March 2015	S$4.36	S$3.66	S$3.72
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.2%	15.2%	15.2%
MSCI Asia Pacific Telco Index	10.6%	10.6%	10.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2015		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2015	31 March 2015	31 March 2015

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.3.2 Amobee's share options – equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("**Amobee**"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Selected employees (including executive directors) and non-executive directors of Amobee group are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested 3.5 years from the earlier of grant date or the vesting commencement date.

Options have been granted on 10 April 2015 with an exercise price of US$0.79 per share and on 14 October 2015 with an exercise price of US$0.79 per share or US$0.54 per share. The fair values of the options granted on those dates were US$0.224 and US$0.217/ US$0.203 respectively. The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From April 2015 to 31 March 2016, options in respect of an aggregate of 55.0 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee group. As at 31 March 2016, options in respect of an aggregate of 43.3 million ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options – equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave group are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the grant date.

Options have been granted on 1 December 2015 and 22 January 2016 with an exercise price of US$16.79 per share. The fair value of the options granted on those dates was US$6.56. The term of each option granted is 10 years from the date of grant.

The fair value for the share options granted was estimated using the Black-Scholes pricing model.

From December 2015 to 31 March 2016, options in respect of an aggregate of 1.5 million of common stock in Trustwave have been granted. As at 31 March 2016, options in respect of an aggregate of 1.4 million of common stock in Trustwave are outstanding.

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Cost of Singtel shares, net of vesting	**26.8**	32.7	**24.8**	29.7
Cash at bank	**0.4**	0.4	**0.4**	0.4
	27.2	33.1	**25.2**	30.1

The details of Singtel shares held by the Trust were as follows –

	Number of shares		Amount	
Group	2016 '000	2015 '000	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**8,629**	10,127	**32.7**	34.6
Purchase of Singtel shares	**5,762**	8,561	**23.5**	32.8
Vesting of shares	**(7,467)**	(10,059)	**(29.4)**	(34.7)
Balance as at 31 March	**6,924**	8,629	**26.8**	32.7

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2016

5.5 Other Operating Expense Items

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.4**	1.4
- Deloitte Touche Tohmatsu, Australia	**1.1**	1.1
- Other Deloitte & Touche offices	**2.0**	1.1
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [1]	**0.3**	0.2
- Deloitte Touche Tohmatsu, Australia [1]	**0.4**	0.5
- Other Deloitte & Touche offices	*****	0.1
Impairment of trade receivables	**122.6**	97.3
Allowance for inventory obsolescence	**17.6**	2.7
Provision for liquidated damages and warranties	**0.8**	4.3
Operating lease payments for properties and mobile base stations	**412.1**	398.9

"*" denotes amount of less than S$50,000.

Note:

[1] The non-audit fees for the current financial year ended 31 March 2016 included S$0.1 million (2015: S$0.1 million) and S$0.4 million (2015: S$0.4 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax service, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Access fees from network facilities	**70.9**	64.8
Rental income	**3.8**	3.8
Bad trade receivables recovered	**3.2**	3.1
Net foreign exchange gains/ (losses) - trade related	**6.0**	(0.6)
Net (losses)/ gains on disposal of property, plant and equipment	**(6.3)**	2.7
Others	**70.7**	77.6
	148.3	151.4

Notes to the Financial Statements

For the financial year ended 31 March 2016

7. DEPRECIATION AND AMORTISATION

	Group	
	2016 S$ Mil	2015 S$ Mil
Depreciation of property, plant and equipment	**1,892.1**	1,964.8
Amortisation of intangible assets	**259.8**	199.7
Amortisation of deferred gain on sale of a joint venture	**(3.1)**	(3.1)
	2,148.8	2,161.4

8. EXCEPTIONAL ITEMS

	Group	
	2016 S$ Mil	2015 S$ Mil
Exceptional gains		
Gain on sale of AFS investments	**95.9**	37.9
Gain on dilution of interest in associates and joint ventures	**2.2**	68.9
Gain on disposal of a joint venture	**1.7**	–
	99.8	106.8
Exceptional losses		
Reclassification of translation loss of a joint venture from equity	**(55.9)**	–
Net expense from legal disputes	**(37.0)**	–
Impairment of carrying value of a subsidiary	**(29.9)**	–
Impairment of AFS investments	**(11.6)**	(25.3)
Ex-gratia costs on staff restructuring	**(10.2)**	(42.9)
Impairment of other non-current assets	**–**	(12.9)
Loss on sale of AFS investments	**–**	(8.7)
Write-off of other non-current assets	**–**	(2.2)
	(144.6)	(92.0)
	(44.8)	14.8

Notes to the Financial Statements

For the financial year ended 31 March 2016

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Share of ordinary results		
– joint ventures	**2,616.7**	2,504.4
– associates	**171.3**	111.8
	2,788.0	2,616.2
Share of net exceptional gains/ (losses) of associates and joint ventures (post-tax) [(1)]	**70.0**	(69.1)
Write-back of impairment provision on an associate	**31.7**	–
Share of tax of ordinary results		
– joint ventures	**(834.7)**	(790.1)
– associates	**(28.4)**	(21.7)
	(863.1)	(811.8)
	2,026.6	1,735.3

Note:

(1) Share of net exceptional gains/ (losses) comprised –		
Divestment gains on investments	**25.3**	–
Handset subsidy costs	**(24.9)**	–
Accelerated depreciation	**–**	(10.5)
Divestment gains on telecom tower assets and other items	**69.6**	(58.6)
	70.0	(69.1)

10. INTEREST AND INVESTMENT INCOME (NET)

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Interest income from		
– bank deposits	**6.3**	8.8
– others	**44.3**	37.4
	50.6	46.2
Dividends from joint venture	**42.9**	41.5
Gross dividends from AFS investments	**2.2**	4.7
	95.7	92.4
Net foreign exchange gains – non-trade related	**2.1**	8.2
Other fair value (losses)/ gains	**(1.8)**	3.5
Fair value gains/ (losses) on fair value hedges		
– hedged items	**177.7**	(132.9)
– hedging instruments	**(179.0)**	121.6
	(1.3)	(11.3)
Fair value gains/ (losses) on cash flow hedges		
– hedged items	**21.1**	(363.8)
– hedging instruments	**(21.1)**	363.8
	–	*
	94.7	92.8

"*" denotes loss of less than S$50,000.

Notes to the Financial Statements

For the financial year ended 31 March 2016

11. FINANCE COSTS

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Interest expense on		
– bonds	**283.3**	255.1
– bank loans	**45.4**	28.8
– others	**31.7**	27.3
	360.4	311.2
Less: Amounts capitalised	**(0.8)**	(6.7)
	359.6	304.5
Effects of hedging using interest rate swaps	**(4.2)**	0.5
Unwinding of discounts (including adjustments)	**4.2**	4.2
	359.6	309.2

The interest rate applicable to the capitalised borrowings was 5.4 per cent as at 31 March 2016 (31 March 2015: 6.1 per cent).

12. TAXATION

12.1 Tax Expense

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Current income tax		
– Singapore	**239.6**	237.7
– Overseas	**356.8**	354.1
	596.4	591.8
Deferred tax (credit)/ expense	**(5.7)**	3.4
Tax expense attributable to current year's profit	**590.7**	595.2
Recognition of deferred tax credit [1]	**–**	(47.6)
Adjustments in respect of prior year [2] –		
Current income tax		
– over provision	**(18.7)**	(13.6)
Deferred income tax		
– under provision	**6.0**	11.3
Withholding and dividend distribution taxes on dividend income from joint ventures	**144.5**	133.2
	722.5	678.5

Notes:

(1) This related to deferred tax credit recognised on certain property, plant and equipment transferred to an associate.

(2) This included certain tax credits upon finalisation of earlier years' tax assessments.

Notes to the Financial Statements

For the financial year ended 31 March 2016

12.1 Tax Expense *(Cont'd)*

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Profit before tax	**4,580.8**	4,463.0
Less: Share of results of associates and joint ventures	**(2,026.6)**	(1,735.3)
	2,554.2	2,727.7
Tax calculated at tax rate of 17 per cent (2015: 17 per cent)	**434.2**	463.7
Effects of –		
Different tax rates of other countries	**92.0**	90.9
Income not subject to tax	**(28.6)**	(21.3)
Expenses not deductible for tax purposes	**39.4**	40.9
Deferred tax asset not recognised	**42.5**	24.7
Deferred tax asset previously not recognised now recognised	**–**	(0.2)
Others	**11.2**	(3.5)
Tax expense attributable to current year's profit	**590.7**	595.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows –

Group – 2016 **Deferred tax assets**	**Provisions** **S$ Mil**	**TWDV [1] in excess of NBV [2] of depreciable assets** **S$ Mil**	**Tax losses and unutilised capital allowances** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2015	**48.3**	**231.3**	**22.0**	**513.5**	**815.1**
Acquisition of a subsidiary	**–**	**–**	**–**	**6.1**	**6.1**
Charged to income statement	**(0.7)**	**(6.3)**	**–**	**(9.2)**	**(16.2)**
Credited to other comprehensive income	**–**	**–**	**–**	**1.1**	**1.1**
Transfer to retained earnings	**–**	**(97.4)**	**–**	**–**	**(97.4)**
Transfer from current tax	**0.2**	**–**	**–**	**0.5**	**0.7**
Translation differences	**(0.8)**	**(2.7)**	**1.4**	**(4.9)**	**(7.0)**
Balance as at 31 March 2016	**47.0**	**124.9**	**23.4**	**507.1**	**702.4**

Group – 2016 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Offshore interest and dividend not remitted** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2015	**(416.8)**	**(5.3)**	**(110.9)**	**(533.0)**
Acquisition of a subsidiary	**–**	**–**	**(68.1)**	**(68.1)**
(Charged)/ Credited to income statement	**(19.3)**	**–**	**23.2**	**3.9**
Transfer from current tax	**(9.2)**	**–**	**–**	**(9.2)**
Translation differences	**0.6**	**–**	**10.4**	**11.0**
Balance as at 31 March 2016	**(444.7)**	**(5.3)**	**(145.4)**	**(595.4)**

Notes to the Financial Statements

For the financial year ended 31 March 2016

12.2 Deferred Taxes *(Cont'd)*

Group – 2015 **Deferred tax assets**	**Provisions** **S$ Mil**	**TWDV [1] in excess of NBV [2] of depreciable assets** **S$ Mil**	**Tax losses and unutilised capital allowances** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2014	61.6	280.6	20.2	470.6	833.0
(Charged)/ Credited to income statement	(7.5)	(22.6)	–	65.9	35.8
Charged to other comprehensive income	–	–	–	(1.1)	(1.1)
Transfer from/ (to) current tax	3.4	–	–	(0.5)	2.9
Translation differences	(9.2)	(26.7)	1.8	(21.4)	(55.5)
Balance as at 31 March 2015	48.3	231.3	22.0	513.5	815.1

Group – 2015 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Offshore interest and dividend not remitted** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2014	(401.3)	(5.3)	(42.8)	(449.4)
Acquisition of subsidiaries	–	–	(62.3)	(62.3)
(Charged)/ Credited to income statement	(15.3)	–	1.5	(13.8)
Transfer from current tax	(0.1)	–	–	(0.1)
Translation differences	(0.1)	–	(7.3)	(7.4)
Balance as at 31 March 2015	(416.8)	(5.3)	(110.9)	(533.0)

Notes to the Financial Statements

For the financial year ended 31 March 2016

12.2 Deferred Taxes *(Cont'd)*

Company – 2016 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2015	**0.5**	**6.8**	**7.3**
Charged to income statement	**(0.1)**	**(3.5)**	**(3.6)**
Balance as at 31 March 2016	**0.4**	**3.3**	**3.7**

Company – 2016 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2015	**(256.2)**	**(256.2)**
Charged to income statement	**(18.0)**	**(18.0)**
Balance as at 31 March 2016	**(274.2)**	**(274.2)**

Company – 2015 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2014	0.5	1.4	1.9
Credited to income statement	–	5.4	5.4
Balance as at 31 March 2015	0.5	6.8	7.3

Company – 2015 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2014	(244.4)	(244.4)
Charged to income statement	(11.8)	(11.8)
Balance as at 31 March 2015	(256.2)	(256.2)

Notes:
(1) TWDV – Tax written down value
(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

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For the financial year ended 31 March 2016

12.2 Deferred Taxes *(Cont'd)*

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Deferred tax assets	**692.3**	803.8	**–**	–
Deferred tax liabilities	**(585.3)**	(521.7)	**(270.5)**	(248.9)
	107.0	282.1	**(270.5)**	(248.9)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2016, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$831 million (2015: $426 million), unutilised investment allowances of S$51 million (2015: S$53 million), unutilised capital tax losses of S$91 million (2015: S$92 million) and unabsorbed capital allowances of approximately S$6.2 million (2015: S$5.4 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability –

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**887.9**	484.0
Unutilised capital tax losses	**91.2**	92.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

13. EARNINGS PER SHARE

	Group	
	2016 **'000**	**2015** **'000**
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**15,937,017**	15,936,654
Adjustment for dilutive effects of performance share plans	**15,012**	40,354
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,952,029**	15,977,008

Note:

[1] Adjusted to exclude the number of performance shares held by the Trust.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

Notes to the Financial Statements

For the financial year ended 31 March 2016

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2016 S$ Mil	2015 S$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**110.2**	100.7
Rental and maintenance	**29.5**	29.5
Associates and joint ventures		
Telecommunications	**41.8**	157.3
Interest on loan	**40.5**	35.3
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**54.1**	61.4
Utilities	**95.2**	109.4
Associates and joint ventures		
Telecommunications	**189.0**	193.4
Transmission capacity	**30.8**	18.7
Postal	**8.3**	8.7
Rental	**4.3**	4.0
Acquisition of shares in a joint venture	**214.2**	–
Due from subsidiaries of ultimate holding company	**24.3**	18.3
Due to subsidiaries of ultimate holding company	**13.3**	15.8

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

Notes to the Financial Statements

For the financial year ended 31 March 2016

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Fixed deposits	**79.2**	148.5	**18.3**	26.1
Cash and bank balances	**382.6**	414.3	**65.4**	57.4
	461.8	562.8	**83.7**	83.5

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
USD	**74.1**	133.0	**22.4**	29.6
EUR	**8.2**	6.6	**2.2**	1.5
HKD	**6.4**	5.6	**0.2**	0.1

The maturities of the fixed deposits were as follows –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Less than three months	**59.2**	131.1	**18.3**	26.1
Over three months	**20.0**	17.4	**–**	–
	79.2	148.5	**18.3**	26.1

As at 31 March 2016, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 1.0 per cent (2015: 0.9 per cent) per annum and 0.5 per cent (2015: 0.3 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 36.3**.

Notes to the Financial Statements

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16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Trade receivables	**2,277.2**	2,299.1	**504.0**	490.2
Accrued receivables [1]	**1,130.8**	673.6	**–**	–
	3,408.0	2,972.7	**504.0**	490.2
Less: Allowance for impairment of trade receivables	**(245.9)**	(236.9)	**(84.0)**	(79.7)
	3,162.1	2,735.8	**420.0**	410.5
Other receivables	**471.5**	458.6	**13.1**	14.7
Loans to subsidiaries	**–**	–	**890.3**	126.7
Less: Allowance for impairment of loans due	**–**	–	**(12.7)**	(12.7)
	–	–	**877.6**	114.0
Amount due from subsidiaries				
– trade	**–**	–	**634.6**	567.5
– non-trade	**–**	–	**1,058.4**	1,272.2
Less: Allowance for impairment of amount due	**–**	–	**(45.4)**	(45.4)
	–	–	**1,647.6**	1,794.3
Amount due from associates and joint ventures				
– trade	**16.3**	40.5	**7.6**	26.9
– non-trade	**159.0**	158.8	**–**	–
	175.3	199.3	**7.6**	26.9
Prepayments	**477.2**	393.3	**37.8**	36.7
Interest receivable	**68.8**	86.1	**25.7**	45.3
Others	**11.5**	12.1	**–**	–
	4,366.4	3,885.2	**3,029.4**	2,442.4

Note:
(1) This comprises accrued revenue under device repayment plans and other handset repayment plans which are generally on 14-day to 30-day terms when billed.

As at 31 March 2016, the effective interest rate of an amount due from a subsidiary of S$865.4 million (2015: S$1,080.5 million) was 0.01 per cent (2015: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms.

An amount of S$30.4 million (2015: S$51.6 million) under 'Other receivables' and an amount of S$62.3 million (2015: S$51.3 million) under 'Other non-current receivables' (see **Note 27**) of the Group are guaranteed by a third party and are repayable in several tranches up to financial year ending 31 March 2018. The weighted average effective interest rate was 3.5% (2015: 2.0%).

Notes to the Financial Statements

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16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

The maximum exposure to credit risk for trade and accrued receivables by customer type was as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Individuals	**1,786.3**	1,011.2	**139.4**	152.9
Corporations and others	**1,375.8**	1,724.6	**280.6**	257.6
	3,162.1	2,735.8	**420.0**	410.5

The age analysis of trade receivables before allowance for impairment was as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Not past due or less than 60 days overdue	**1,802.9**	1,872.7	**326.8**	321.5
Past due				
– 61 to 120 days	**120.2**	134.6	**22.9**	32.9
– more than 120 days	**354.1**	291.8	**154.3**	135.8
	2,277.2	2,299.1	**504.0**	490.2

Based on historical collections experience, the Group believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

The movement in the allowance for impairment of trade receivables was as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**236.9**	274.7	**79.7**	82.8
Acquisition of a subsidiary	**7.2**	0.7	**–**	–
Allowance for impairment	**128.2**	108.8	**37.1**	33.8
Utilisation of allowance for impairment	**(119.9)**	(115.2)	**(31.3)**	(29.6)
Write-back of allowance for impairment	**(5.6)**	(11.5)	**(1.5)**	(7.3)
Translation differences	**(0.9)**	(20.6)	**–**	–
Balance as at 31 March	**245.9**	236.9	**84.0**	79.7

17. INVENTORIES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Equipment held for resale	**299.8**	266.6	**2.1**	3.1
Maintenance and capital works' inventories	**19.9**	23.2	**19.4**	23.7
	319.7	289.8	**21.5**	26.8

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18. PROPERTY, PLANT AND EQUIPMENT

Group – 2016	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2015	**22.0**	**266.1**	**774.7**	**18,224.8**	**2,919.8**	**5,889.8**	**1,199.3**	**29,296.5**
Additions (net of rebates)	**–**	**–**	**7.7**	**119.3**	**50.6**	**171.7**	**2,081.3**	**2,430.6**
Disposals/ Write-offs	**–**	**–**	**(5.3)**	**(698.4)**	**(248.3)**	**(549.4)**	**–**	**(1,501.4)**
Acquisition of a subsidiary	**–**	**–**	**–**	**–**	**–**	**27.8**	**–**	**27.8**
Reclassifications/ Adjustments	**–**	**(0.6)**	**2.8**	**1,367.9**	**81.1**	**358.4**	**(1,818.6)**	**(9.0)**
Translation differences	**(0.2)**	**(0.3)**	**(3.2)**	**(146.6)**	**(13.5)**	**(51.3)**	**4.2**	**(210.9)**
Balance as at 31 March 2016	**21.8**	**265.2**	**776.7**	**18,867.0**	**2,789.7**	**5,847.0**	**1,466.2**	**30,033.6**
Accumulated depreciation								
Balance as at 1 April 2015	**–**	**69.9**	**301.4**	**11,779.8**	**2,168.6**	**4,253.6**	**–**	**18,573.3**
Depreciation charge for the year	**–**	**4.8**	**18.9**	**1,121.9**	**168.5**	**578.0**	**–**	**1,892.1**
Disposals/ Write-offs	**–**	**–**	**(5.3)**	**(692.0)**	**(244.5)**	**(536.5)**	**–**	**(1,478.3)**
Reclassifications/ Adjustments	**–**	**(0.3)**	**–**	**(0.6)**	**–**	**(8.3)**	**–**	**(9.2)**
Translation differences	**–**	**(0.3)**	**–**	**(97.9)**	**(8.7)**	**(27.2)**	**–**	**(134.1)**
Balance as at 31 March 2016	**–**	**74.1**	**315.0**	**12,111.2**	**2,083.9**	**4,259.6**	**–**	**18,843.8**
Accumulated impairment								
Balance as at 1 April 2015	**–**	**2.0**	**7.3**	**7.6**	**5.2**	**17.9**	**–**	**40.0**
Disposals	**–**	**–**	**–**	**(0.2)**	**(3.3)**	**(0.4)**	**–**	**(3.9)**
Translation differences	**–**	**–**	**–**	**–**	**–**	**(0.3)**	**–**	**(0.3)**
Balance as at 31 March 2016	**–**	**2.0**	**7.3**	**7.4**	**1.9**	**17.2**	**–**	**35.8**
Net Book Value as at 31 March 2016	**21.8**	**189.1**	**454.4**	**6,748.4**	**703.9**	**1,570.2**	**1,466.2**	**11,154.0**

Notes to the Financial Statements

For the financial year ended 31 March 2016

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group – 2015	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2014	24.5	249.2	795.2	18,381.0	3,019.3	5,983.4	1,081.9	29,534.5
Additions (net of rebates)	–	–	1.2	180.8	45.0	197.4	1,975.2	2,399.6
Disposals/ Write-offs	–	–	(0.1)	(166.9)	(121.7)	(110.9)	–	(399.6)
Acquisition of subsidiaries	–	–	–	–	–	2.8	–	2.8
Reclassifications/ Adjustments	–	15.7	8.9	1,318.0	98.1	210.3	(1,771.6)	(120.6)
Translation differences	(2.5)	1.2	(30.5)	(1,488.1)	(120.9)	(393.2)	(86.2)	(2,120.2)
Balance as at 31 March 2015	22.0	266.1	774.7	18,224.8	2,919.8	5,889.8	1,199.3	29,296.5
Accumulated depreciation								
Balance as at 1 April 2014	–	64.4	283.1	11,726.3	2,183.3	4,148.9	–	18,406.0
Depreciation charge for the year	–	4.5	18.5	1,170.5	179.5	591.8	–	1,964.8
Disposals/ Write-offs	–	–	(0.1)	(150.9)	(120.2)	(102.7)	–	(373.9)
Reclassifications/ Adjustments	–	–	–	–	–	(91.5)	–	(91.5)
Translation differences	–	1.0	(0.1)	(966.1)	(74.0)	(292.9)	–	(1,332.1)
Balance as at 31 March 2015	–	69.9	301.4	11,779.8	2,168.6	4,253.6	–	18,573.3
Accumulated impairment								
Balance as at 1 April 2014	–	2.0	7.3	7.7	5.2	10.0	–	32.2
Impairment charge for the year	–	–	–	–	–	9.7	–	9.7
Disposals	–	–	–	(0.1)	–	(1.2)	–	(1.3)
Translation differences	–	–	–	–	–	(0.6)	–	(0.6)
Balance as at 31 March 2015	–	2.0	7.3	7.6	5.2	17.9	–	40.0
Net Book Value as at 31 March 2015	22.0	194.2	466.0	6,437.4	746.0	1,618.3	1,199.3	10,683.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2016	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2015	**0.4**	**228.2**	**431.5**	**3,143.5**	**998.1**	**1,486.0**	**310.0**	**6,597.7**
Additions (net of rebates)	**–**	**–**	**–**	**47.6**	**12.1**	**55.0**	**361.5**	**476.2**
Disposals/ Write-offs	**–**	**–**	**–**	**(56.9)**	**(105.2)**	**(47.4)**	**–**	**(209.5)**
Reclassifications	**–**	**–**	**1.4**	**54.5**	**20.2**	**70.3**	**(146.4)**	**–**
Balance as at 31 March 2016	**0.4**	**228.2**	**432.9**	**3,188.7**	**925.2**	**1,563.9**	**525.1**	**6,864.4**
Accumulated depreciation								
Balance as at 1 April 2015	**–**	**51.1**	**256.8**	**2,277.6**	**895.3**	**1,052.4**	**–**	**4,533.2**
Depreciation charge for the year	**–**	**2.7**	**11.4**	**156.9**	**48.7**	**125.9**	**–**	**345.6**
Disposals/ Write-offs	**–**	**–**	**–**	**(51.4)**	**(105.2)**	**(45.9)**	**–**	**(202.5)**
Balance as at 31 March 2016	**–**	**53.8**	**268.2**	**2,383.1**	**838.8**	**1,132.4**	**–**	**4,676.3**
Accumulated impairment								
Balance as at 1 April 2015	**–**	**2.0**	**7.2**	**6.1**	**1.2**	**0.8**	**–**	**17.3**
Disposals/ Write-offs	**–**	**–**	**–**	**(0.2)**	**–**	**(0.4)**	**–**	**(0.6)**
Balance as at 31 March 2016	**–**	**2.0**	**7.2**	**5.9**	**1.2**	**0.4**	**–**	**16.7**
Net Book Value as at 31 March 2016	**0.4**	**172.4**	**157.5**	**799.7**	**85.2**	**431.1**	**525.1**	**2,171.4**

Notes to the Financial Statements

For the financial year ended 31 March 2016

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2015	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2014	0.4	212.5	431.6	3,113.3	1,063.2	1,408.8	217.5	6,447.3
Additions (net of rebates)	–	–	–	64.1	13.1	57.6	238.9	373.7
Disposals/ Write-offs	–	–	(0.1)	(81.4)	(101.3)	(40.5)	–	(223.3)
Reclassifications	–	15.7	–	47.5	23.1	60.1	(146.4)	–
Balance as at 31 March 2015	0.4	228.2	431.5	3,143.5	998.1	1,486.0	310.0	6,597.7
Accumulated depreciation								
Balance as at 1 April 2014	–	48.5	245.6	2,185.5	943.8	968.2	–	4,391.6
Depreciation charge for the year	–	2.6	11.3	161.2	52.7	121.2	–	349.0
Disposals/ Write-offs	–	–	(0.1)	(69.1)	(101.2)	(37.0)	–	(207.4)
Balance as at 31 March 2015	–	51.1	256.8	2,277.6	895.3	1,052.4	–	4,533.2
Accumulated impairment								
Balance as at 1 April 2014	–	2.0	7.2	6.2	1.2	1.6	–	18.2
Additions	–	–	–	–	–	0.4	–	0.4
Disposals/ Write-offs	–	–	–	(0.1)	–	(1.2)	–	(1.3)
Balance as at 31 March 2015	–	2.0	7.2	6.1	1.2	0.8	–	17.3
Net Book Value as at 31 March 2015	0.4	175.1	167.5	859.8	101.6	432.8	310.0	2,047.2

Property, plant and equipment included the following –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Net book value of property, plant and equipment				
Assets acquired under finance leases	**102.0**	78.5	**37.7**	44.2
Interest charges capitalised during the year	**–**	4.0	**–**	–
Staff costs capitalised during the year	**236.9**	215.6	**33.9**	21.1

Notes to the Financial Statements

For the financial year ended 31 March 2016

19. INTANGIBLE ASSETS

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Goodwill on acquisition of subsidiaries	**11,090.3**	10,123.0	**–**	–
Telecommunications and spectrum licences	**1,439.8**	1,488.2	**0.3**	0.7
Technology and brand	**374.1**	296.9	**–**	–
Customer relationships and others	**64.2**	40.5	**–**	–
	12,968.4	11,948.6	**0.3**	0.7

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**10,123.0**	9,703.6
Acquisition of subsidiaries	**1,069.8**	367.3
Impairment of a subsidiary	**(29.2)**	–
Translation differences	**(73.3)**	52.1
Balance as at 31 March	**11,090.3**	10,123.0

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**1,488.2**	832.3	**0.7**	1.0
Additions	**146.6**	933.2	**–**	–
Amortisation for the year	**(180.5)**	(148.2)	**(0.4)**	(0.3)
Disposals/ Write-offs	**(0.3)**	(3.1)	**–**	–
Translation differences	**(14.2)**	(126.0)	**–**	–
Balance as at 31 March	**1,439.8**	1,488.2	**0.3**	0.7
Cost	**2,523.5**	2,399.6	**8.4**	8.4
Accumulated amortisation	**(1,077.5)**	(905.2)	**(8.1)**	(7.7)
Accumulated impairment	**(6.2)**	(6.2)	**–**	–
Net book value as at 31 March	**1,439.8**	1,488.2	**0.3**	0.7

Notes to the Financial Statements

For the financial year ended 31 March 2016

19.3 Technology and Brand

	Group 2016 S$ Mil	Group 2015 S$ Mil
Balance as at 1 April	**296.9**	160.4
Acquisition of subsidiaries	**171.0**	149.1
Additions	**–**	4.9
Amortisation for the year	**(73.8)**	(43.1)
Impairment of a subsidiary	**(5.0)**	–
Impairment charge for the year	**–**	(3.2)
Translation differences	**(15.0)**	28.8
Balance as at 31 March	**374.1**	296.9
Cost	**550.6**	394.6
Accumulated amortisation	**(168.4)**	(94.5)
Accumulated impairment	**(8.1)**	(3.2)
Net book value as at 31 March	**374.1**	296.9

19.4 Customer Relationships and Others

	Group 2016 S$ Mil	Group 2015 S$ Mil
Balance as at 1 April	**40.5**	43.4
Acquisition of subsidiaries	**15.8**	8.1
Additions	**14.2**	1.6
Amortisation for the year	**(5.5)**	(8.4)
Translation differences	**(0.8)**	(4.2)
Balance as at 31 March	**64.2**	40.5
Cost	**128.8**	100.0
Accumulated amortisation	**(64.6)**	(59.5)
Net book value as at 31 March	**64.2**	40.5

Notes to the Financial Statements

For the financial year ended 31 March 2016

20. SUBSIDIARIES

	Company	
	2016 S$ Mil	2015 S$ Mil
Unquoted equity shares, at cost	**7,742.5**	7,109.6
Shareholders' advances	**6,423.3**	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5
	14,198.3	13,565.4
Less: Allowance for impairment losses	**(16.0)**	(50.4)
	14,182.3	13,515.0

The advances given to subsidiaries were interest-free except for an amount of S$678.3 million (2015: S$678.3 million) where the effective interest rate as at 31 March 2016 was 1.6 per cent (2015: 0.8 per cent) per annum. The advances were unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 43.1** to **Note 43.3**.

21. ASSOCIATES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**164.4**	143.2	**578.8**	578.8
Shareholder's loan (unsecured)	**1.7**	1.7	**–**	–
	240.4	219.2	**603.5**	603.5
Goodwill on consolidation adjusted against shareholders' equity	**(28.3)**	(28.3)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**162.0**	130.2	**–**	–
Translation differences	**(17.8)**	(14.2)	**–**	–
	115.9	87.7	**–**	–
Less: Allowance for impairment losses	**–**	(31.7)	**–**	–
	356.3	275.2	**603.5**	603.5

As at 31 March 2016,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$862.4 million (2015: S$1.02 billion) and S$807.7 million (2015: S$968.2 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$154.3 million (2015: S$76.8 million).

The Group does not have any individually significant associates. The details of associates are set out in **Note 43.4**.

Notes to the Financial Statements

For the financial year ended 31 March 2016

21. ASSOCIATES *(Cont'd)*

The aggregate summarised financial information of associates were as follows –

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Share of profit after tax	**112.2**	39.1
Share of other comprehensive (loss)/ income	**(1.8)**	0.4
Share of total comprehensive income	**110.4**	39.5

22. JOINT VENTURES

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Quoted equity shares, at cost	**2,798.4**	2,798.4	**–**	–
Unquoted equity shares, at cost	**4,393.6**	4,179.3	**21.2**	22.1
	7,192.0	6,977.7	**21.2**	22.1
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**8,431.2**	7,887.4	**–**	–
Translation differences	**(3,637.4)**	(3,038.2)	**–**	–
	3,567.9	3,623.3	**–**	–
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**–**	–
	10,729.9	10,571.0	**21.2**	22.1

As at 31 March 2016,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$19.15 billion (2015: S$22.04 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$1.53 billion (2015: S$3.48 billion).

The details of joint ventures are set out in **Note 43.5**.

Optus has an interest in an unincorporated joint operation to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2015: 50%) in the assets, with access to the shared network and shares 50% (2015: 50%) of the cost of building and operating the network.

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For the financial year ended 31 March 2016

22. JOINT VENTURES *(Cont'd)*

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operations of S$811.0 million (2015: S$644.4 million).

The carrying amounts of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), were as follows –

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Airtel	**5,478.7**	5,323.3
Telkomsel	**3,471.0**	3,410.1
Globe	**1,079.9**	1,049.8
AIS	**605.7**	686.3
Other joint ventures	**94.6**	101.5
	10,729.9	10,571.0

Notes to the Financial Statements

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22. JOINT VENTURES *(Cont'd)*

The summarised financial information of the significant joint ventures based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group — 2016	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	20,460.8	8,069.1	3,704.1	6,020.9
Depreciation and amortisation	(3,697.3)	(1,352.6)	(687.3)	(758.3)
Interest income	677.1	99.1	11.2	7.9
Interest expense	(2,136.7)	(90.3)	(102.4)	(89.2)
Income tax expense	(1,259.7)	(806.4)	(212.4)	(331.5)
Profit after tax	1,162.8	2,449.6	498.5	1,479.6
Other comprehensive loss	(175.7)	–	(11.0)	(20.4)
Total comprehensive income	987.1	2,449.6	487.5	1,459.2
Statement of financial position				
Current assets	4,651.5	3,823.9	1,381.8	1,540.1
Non-current assets	41,075.9	5,708.6	4,353.6	5,864.0
Current liabilities	(11,841.7)	(2,370.6)	(1,976.4)	(3,102.0)
Non-current liabilities	(19,482.6)	(1,255.1)	(1,975.4)	(2,876.2)
Net assets	14,403.1	5,906.8	1,783.6	1,425.9
Less: Non-controlling interests	(1,057.1)	–	0.1	(4.5)
Net assets attributable to equity holders	13,346.0	5,906.8	1,783.7	1,421.4
Proportion of the Group's ownership	32.9%	35.0%	47.2%	23.3%
Group's share of net assets	4,390.8	2,067.4	841.9	331.2
Goodwill capitalised	805.0	1,403.6	386.5	276.4
Other adjustments	282.9	–	(148.5)	(1.9)
Carrying amount of the investment	5,478.7	3,471.0	1,079.9	605.7
Other items				
Cash and cash equivalents	754.2	2,442.0	302.6	609.4
Non-current financial liabilities excluding trade and other payables and provisions	(18,648.4)	(1,010.5)	(1,779.0)	(1,978.6)
Current financial liabilities excluding trade and other payables and provisions	(1,699.9)	(66.8)	(281.7)	(163.2)
Group's share of market value	10,244.3	NA	4,073.9	4,827.5
Dividends received during the year	28.0	721.6	156.6	346.2

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For the financial year ended 31 March 2016

22. JOINT VENTURES *(Cont'd)*

Group — 2015	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	19,397.7	7,251.2	3,111.4	6,090.3
Depreciation and amortisation	(3,272.9)	(1,246.9)	(560.6)	(799.0)
Interest income	523.8	73.8	20.8	15.6
Interest expense	(1,552.3)	(66.8)	(78.0)	(68.6)
Income tax expense	(1,136.4)	(690.6)	(189.1)	(398.6)
Profit after tax	1,091.9	2,115.9	425.6	1,449.3
Other comprehensive (loss)/ income	(837.9)	(9.4)	(8.3)	0.1
Total comprehensive income	254.0	2,106.5	417.3	1,449.4
Statement of financial position				
Current assets	5,884.3	2,771.7	1,435.1	2,044.6
Non-current assets	37,157.4	5,945.8	4,080.1	3,820.4
Current liabilities	(13,947.7)	(2,121.3)	(1,803.0)	(2,698.0)
Non-current liabilities	(14,406.3)	(863.3)	(1,989.2)	(1,516.8)
Net assets	14,687.7	5,732.9	1,723.0	1,650.2
Less: Non-controlling interests	(1,066.8)	–	(0.2)	(4.8)
Net assets attributable to equity holders	13,620.9	5,732.9	1,722.8	1,645.4
Proportion of the Group's ownership	32.4%	35.0%	47.2%	23.3%
Group's share of net assets	4,413.2	2,006.5	813.2	383.7
Goodwill capitalised	866.7	1,403.6	391.0	305.0
Other adjustments	43.4	–	(154.4)	(2.4)
Carrying amount of the investment	5,323.3	3,410.1	1,049.8	686.3
Other items				
Cash and cash equivalents	257.6	1,402.1	513.3	989.5
Non-current financial liabilities excluding trade and other payables and provisions	(13,490.0)	(542.0)	(1,815.9)	(1,423.9)
Current financial liabilities excluding trade and other payables and provisions	(4,661.1)	(254.2)	(172.2)	(136.1)
Group's share of market value	11,214.8	NA	3,882.2	6,942.4
Dividends received during the year	42.5	665.7	105.6	313.7

"NA" denotes Not Applicable.

Notes to the Financial Statements

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22. JOINT VENTURES *(Cont'd)*

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2016 S$ Mil	2015 S$ Mil
Share of profit after tax	**8.2**	10.1
Share of other comprehensive (loss)/ income	**(0.4)**	0.1
Share of total comprehensive income	**7.8**	10.2
Aggregate carrying value	**94.6**	101.5

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2016 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("**CGU**").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

			Terminal growth rate [1]		Pre-tax discount rate	
Group	2016 S$ Mil	2015 S$ Mil	2016	2015	2016	2015
Carrying value of goodwill in -						
- Optus Group	**9,283.0**	9,284.8	**3.0%**	3.0%	**9.5%**	10.4%
- Amobee, Inc.	**703.3**	727.6	**4.0%**	4.8%	**15.1%**	15.8%
- SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**7.9%**	8.0%
- Trustwave Holdings, Inc.	**1,021.8**	–	**4.0%**	–	**14.2%**	–

Note:
[1] Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and Trustwave which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

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23. IMPAIRMENT REVIEWS *(Cont'd)*

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

As at 31 March 2016, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Balance as at 1 April	**268.3**	291.3	**43.6**	54.9
Additions	**38.8**	34.2	**–**	–
Disposals/ Write-offs	**(40.8)**	(87.2)	**–**	–
Provision for impairment	**(11.6)**	(25.3)	**–**	–
Write-off against provision for impairment	**–**	32.4	**–**	–
Net fair value (losses)/ gains included in 'Other Comprehensive Income'	**(87.5)**	21.8	**(8.5)**	(11.3)
Reclassified to 'Associates'	**(21.6)**	–	**–**	–
Translation differences	**1.9**	1.1	**–**	–
Balance as at 31 March	**147.5**	268.3	**35.1**	43.6

AFS investments included the following –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Quoted equity securities				
- Thailand	**18.7**	24.5	**18.7**	24.5
- United States of America	**14.1**	67.2	**–**	0.5
- Singapore	**8.7**	9.1	**8.7**	9.1
	41.5	100.8	**27.4**	34.1
Unquoted				
Equity securities	**95.0**	153.1	**7.7**	9.5
Others	**11.0**	14.4	**–**	–
	106.0	167.5	**7.7**	9.5
	147.5	268.3	**35.1**	43.6

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For the financial year ended 31 March 2016

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**489.7**	(122.9)	**44.2**	(198.9)
Fair value (losses)/ gains				
- included in income statement	**(186.5)**	486.6	**(178.3)**	126.0
- included in 'Hedging Reserve'	**(2.2)**	138.7	**34.2**	117.1
Translation differences	**(1.7)**	(12.7)	**–**	–
Balance as at 31 March	**299.3**	489.7	**(99.9)**	44.2
Disclosed as -				
Current asset	**17.5**	29.8	**9.5**	29.9
Non-current asset	**622.6**	742.1	**321.0**	463.5
Current liability	**(24.6)**	(16.8)	**(13.7)**	(1.9)
Non-current liability	**(316.2)**	(265.4)	**(416.7)**	(447.3)
	299.3	489.7	**(99.9)**	44.2

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$18.1 million (2015: S$20.0 million). The accrued interest is separately disclosed in **Note 16** and **Note 28**.

The fair values of the derivative financial instruments were as follows –

	Group Fair values		Company Fair values	
2016	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	**579.2**	**121.7**	**–**	**72.0**
Interest rate swaps	**47.6**	**158.2**	**–**	**8.7**
Forward foreign exchange contracts	**10.7**	**46.7**	**2.7**	**21.6**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**–**	**–**	**266.4**	**266.4**
Interest rate swaps	**2.6**	**12.7**	**61.4**	**61.4**
Forward foreign exchange contracts	**–**	**1.5**	**–**	**0.3**
	640.1	**340.8**	**330.5**	**430.4**
Disclosed as -				
Current	**17.5**	**24.6**	**9.5**	**13.7**
Non-current	**622.6**	**316.2**	**321.0**	**416.7**
	640.1	**340.8**	**330.5**	**430.4**

Notes to the Financial Statements

For the financial year ended 31 March 2016

25.1 Fair Values *(Cont'd)*

2015	Group Fair values Assets S$ Mil	Group Fair values Liabilities S$ Mil	Company Fair values Assets S$ Mil	Company Fair values Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	662.4	65.5	33.2	12.8
Interest rate swaps	52.8	188.4	–	8.1
Forward foreign exchange contracts	51.7	15.2	32.4	0.2
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	–	–	362.5	362.5
Interest rate swaps	4.7	13.0	65.0	65.4
Forward foreign exchange contracts	0.3	0.1	0.3	0.2
	771.9	282.2	493.4	449.2
Disclosed as -				
Current	29.8	16.8	29.9	1.9
Non-current	742.1	265.4	463.5	447.3
	771.9	282.2	493.4	449.2

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 2017, 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 30**.

As at 31 March 2016, the details of the outstanding derivative financial instruments were as follows –

	Group 2016	Group 2015	Company 2016	Company 2015
Interest rate swaps				
Notional principal (S$ million equivalent)	**3,484.7**	3,608.5	**4,336.9**	4,454.3
Fixed interest rates	**1.2% to 6.2%**	1.2% to 6.2%	**1.2% to 4.5%**	1.2% to 4.5%
Floating interest rates	**1.8% to 2.3%**	1.3% to 2.7%	**1.5% to 1.8%**	0.3% to 1.3%
Cross currency swaps				
Notional principal (S$ million equivalent)	**5,327.3**	5,259.9	**6,208.0**	6,326.0
Fixed interest rates	**1.8% to 7.5%**	1.8% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**1.4% to 3.8%**	0.7% to 4.1%	**1.3% to 3.5%**	0.7% to 2.5%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**2,122.8**	1,623.8	**611.1**	559.8

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

Notes to the Financial Statements

For the financial year ended 31 March 2016

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Loan to an associate	**1,100.5**	1,610.5	**1,100.5**	1,610.5
Net deferred gain				
Classified as -				
Current	**67.9**	67.9	**–**	–
Non-current	**1,323.3**	1,369.8	**–**	–
	1,391.2	1,437.7	**–**	–

In July 2011, Singtel established a business trust, NetLink Trust, as part of the IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In September 2011, Singtel sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and 7 exchange buildings ("**Assets**"), and Singtel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust, for an aggregate consideration of approximately S$1.89 billion. Singtel also completed its subscription for a further 567,380,000 units at S$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to Singtel of S$567.4 million and loan from Singtel of S$1.33 billion.

Although currently 100% owned by Singtel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager. Singtel does not have effective control in NetLink Trust, and hence it is equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets and Business recorded by Singtel was deferred in the Group's statement of financial position and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, Singtel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

In November 2013, the Group paid S$142.6 million to NetLink Trust in consideration of its transfer of tax benefits utilised by the Group, and S$11.4 million for additional investment in NetLink Trust. The monies were subsequently utilised by NetLink Trust for its acquisition of 100% equity interest in OpenNet Pte. Ltd.

In October 2014, Singtel sold certain infrastructure assets to NetLink Trust for an aggregate consideration of S$280 million. The aggregate consideration paid by NetLink Trust was financed by a loan from Singtel.

The loan to NetLink Trust carries a fixed interest rate and is repayable on 22 April 2017. The loan is secured by a fixed and floating charge over NetLink Trust's assets and business undertakings. Under the loan agreement, unpaid interest are included as part of the loan.

As at 31 March 2016, the loan principal was S$1.10 billion (2015: S$1.61 billion) and interest included as part of the loan was S$5.5 million (2015: S$5.5 million), following a partial repayment of S$510 million during the financial year.

As at 31 March 2016, the unamortised gross deferred gain was S$1.66 billion (2015: S$1.73 billion), of which S$273.6 million (2015: S$295.1 million) was applied to the Group's carrying value of NetLink Trust and the remaining S$1.39 billion (2015: S$1.44 billion) was classified as 'Net deferred gain' in the Group's statement of financial position.

Notes to the Financial Statements

For the financial year ended 31 March 2016

27. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Prepayments	**193.0**	162.8	**175.4**	182.6
Receivable (see **Note 16**)	**62.3**	51.3	**–**	–
Other receivables	**373.5**	182.4	**–**	–
	628.8	396.5	**175.4**	182.6

Other receivables comprise mainly accrued receivables in Australia under the device repayment plans and other handset repayment plans.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Trade payables	**3,409.9**	3,305.6	**616.6**	698.3
Accruals	**916.1**	805.6	**171.5**	164.9
Interest payable on borrowings	**130.5**	115.6	**35.8**	34.4
Due to subsidiaries				
- trade	**–**	–	**271.8**	247.8
- non-trade	**–**	–	**394.9**	137.7
	–	–	**666.7**	385.5
Due to associates and joint ventures				
- trade	**27.8**	26.0	**21.3**	25.3
- non-trade	**0.1**	12.8	**0.1**	0.2
	27.9	38.8	**21.4**	25.5
Customers' deposits	**27.2**	25.9	**16.5**	16.1
Other deferred income	**18.4**	20.6	**11.8**	14.2
Other payables	**64.0**	146.4	**41.9**	47.3
	4,594.0	4,458.5	**1,582.2**	1,386.2

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to handset and network investments having payment terms of up to 365 days.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

Notes to the Financial Statements

For the financial year ended 31 March 2016

29. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Balance as at 1 April	**5.8**	1.6	**3.4**	–
Provision	**0.8**	4.3	**0.5**	3.5
Amount written off against provision	**(3.5)**	(0.1)	**(1.7)**	(0.1)
Balance as at 31 March	**3.1**	5.8	**2.2**	3.4

30. BORROWINGS (UNSECURED)

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Current				
Bonds	**395.5**	–	**–**	–
Bank loans	**200.0**	150.0	**–**	–
	595.5	150.0	**–**	–
Non-current				
Bonds	**7,952.1**	7,240.7	**747.2**	925.2
Bank loans	**1,066.9**	1,350.2	**–**	–
	9,019.0	8,590.9	**747.2**	925.2
Total unsecured borrowings	**9,614.5**	8,740.9	**747.2**	925.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

30.1 Bonds

	Group		Company	
Principal amount	**2016 S$ Mil**	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
US$500 million [1][2]	**697.5**	713.2	**–**	–
US$1,800 million [2] (2015: US$1,300 million)	**2,515.9**	1,885.5	**–**	–
US$500 million [2]	**747.2**	925.2	**747.2**	925.2
US$400 million	**538.7**	550.3	**–**	–
€700 million [1][2]	**1,104.2**	1,066.9	**–**	–
A$625 million [1] (2015: A$375 million)	**642.0**	390.8	**–**	–
S$800 million (2015: S$550 million)	**800.0**	550.0	**–**	–
S$600 million [2]	**600.0**	600.0	**–**	–
S$150 million [1]	**149.9**	–	**–**	–
¥10,000 million	**122.3**	116.2	**–**	–
HK$1,450 million	**256.3**	265.4	**–**	–
HK$1,000 million [1]	**173.6**	177.2	**–**	–
	8,347.6	7,240.7	**747.2**	925.2
Classified as -				
Current	**395.5**	–	**–**	–
Non-current	**7,952.1**	7,240.7	**747.2**	925.2
	8,347.6	7,240.7	**747.2**	925.2

Notes:

(1) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

(2) The bonds are listed on the Singapore Exchange.

30.2 Bank Loans

	Group	
	2016 S$ Mil	**2015 S$ Mil**
Current	**200.0**	150.0
Non-current	**1,066.9**	1,350.2
	1,266.9	1,500.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

30.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Between one and two years	**2,014.1**	620.5	**–**	–
Between two and five years	**3,883.8**	3,986.4	**–**	–
Over five years	**3,121.1**	3,984.0	**747.2**	925.2
	9,019.0	8,590.9	**747.2**	925.2

30.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows –

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Bonds (fixed rate)	**3.8**	3.9	**7.4**	7.4
Bonds (floating rate)	**1.7**	1.3	**–**	–
Bank loans (floating rate)	**2.3**	1.9	**–**	–

Notes to the Financial Statements

For the financial year ended 31 March 2016

30.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2016				
Net-settled interest rate swaps	**30.7**	**34.7**	**76.9**	**10.2**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(191.0)**	**(177.0)**	**(432.2)**	**(559.0)**
- Outflow	**162.8**	**147.9**	**337.1**	**365.8**
	2.5	**5.6**	**(18.2)**	**(183.0)**
Borrowings	**905.1**	**1,703.9**	**4,867.2**	**3,408.5**
	907.6	**1,709.5**	**4,849.0**	**3,225.5**
As at 31 March 2015				
Net-settled interest rate swaps	42.2	42.5	97.0	21.5
Cross currency interest rate swaps (gross-settled)				
- Inflow	(188.4)	(188.5)	(483.5)	(687.8)
- Outflow	142.0	139.7	374.6	340.4
	(4.2)	(6.3)	(11.9)	(325.9)
Borrowings	429.8	883.2	4,403.9	4,444.8
	425.6	876.9	4,392.0	4,118.9

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2016				
Net-settled interest rate swaps	**1.2**	**1.2**	**3.6**	**13.2**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(171.7)**	**(145.7)**	**(301.7)**	**(567.3)**
- Outflow	**154.4**	**128.2**	**249.4**	**375.6**
	(16.1)	**(16.3)**	**(48.7)**	**(178.5)**
Borrowings	**49.7**	**49.7**	**149.0**	**1,427.5**
	33.6	**33.4**	**100.3**	**1,249.0**
As at 31 March 2015				
Net-settled interest rate swaps	3.0	1.7	5.2	20.8
Cross currency interest rate swaps (gross-settled)				
- Inflow	(158.1)	(158.1)	(332.0)	(662.6)
- Outflow	132.1	132.1	253.9	350.0
	(23.0)	(24.3)	(72.9)	(291.8)
Borrowings	50.7	50.7	152.2	1,490.1
	27.7	26.4	79.3	1,198.3

Notes to the Financial Statements

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31. BORROWINGS (SECURED)

	Group 2016 S$ Mil	Group 2015 S$ Mil	Company 2016 S$ Mil	Company 2015 S$ Mil
Current				
Finance lease	**30.7**	24.4	**1.5**	1.5
Bank loans	**59.5**	–	**–**	–
	90.2	24.4	**1.5**	1.5
Non-current				
Finance lease	**189.9**	180.7	**158.8**	160.4
Bank loans	**46.1**	32.8	**–**	–
	236.0	213.5	**158.8**	160.4
Total secured borrowings	**326.2**	237.9	**160.3**	161.9

Secured borrowings of the Group and the Company comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust.

In addition, the Group's secured borrowings as at 31 March 2016 included –

(a) certain bank loans of Adconion, secured on the assets and shares in Adconion Media, Inc. and its subsidiary, Adconion Direct, Inc., and a fixed and floating charge on the assets in Adconion Pty Ltd; and

(b) certain bank loans of Trustwave, secured on the assets of Trustwave and shares in certain of its subsidiaries.

31.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows –

	Group 2016 S$ Mil	Group 2015 S$ Mil	Company 2016 S$ Mil	Company 2015 S$ Mil
Not later than one year	**45.3**	38.2	**13.0**	13.0
Later than one but not later than five years	**81.0**	71.4	**48.5**	49.8
Later than five years	**613.0**	624.7	**613.0**	624.7
	739.3	734.3	**674.5**	687.5
Less: Future finance charges	**(518.7)**	(529.2)	**(514.2)**	(525.6)
	220.6	205.1	**160.3**	161.9

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31.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Between one and two years	**28.2**	15.2	**1.6**	1.6
Between two and five years	**52.1**	42.3	**1.5**	2.8
Over five years	**155.7**	156.0	**155.7**	156.0
	236.0	213.5	**158.8**	160.4

31.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows –

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Finance lease liabilities	**5.9**	6.2	**7.3**	7.3
Bank loans	**6.2**	3.9	**–**	–

31.4 The tables below set out the maturity profile of the secured bank loans based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil
As at 31 March 2016			
Bank loans	**62.2**	**2.7**	**51.6**

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil
As at 31 March 2015			
Bank loans	1.9	1.9	36.7

32. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2016 S$ Mil	2015 S$ Mil	2016 S$ Mil	2015 S$ Mil
Performance share liability	**7.8**	19.0	**7.8**	19.0
Other payables	**270.2**	296.5	**10.6**	11.0
	278.0	315.5	**18.4**	30.0

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

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33. SHARE CAPITAL

	2016		2015	
Group and Company	**Number of shares Mil**	**Share capital S$ Mil**	**Number of shares Mil**	**Share capital S$ Mil**
Balance as at 1 April and 31 March	**15,943.5**	**2,634.0**	15,943.5	2,634.0

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

34. DIVIDENDS

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Final dividend of 10.7 cents (2015: 10.0 cents) per share, paid	**1,705.4**	1,593.8	**1,705.9**	1,594.3
Interim dividend of 6.8 cents (2015: 6.8 cents) per share, paid	**1,083.8**	1,083.7	**1,084.2**	1,084.2
	2,789.2	2,677.5	**2,790.1**	2,678.5

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S$1.71 billion was paid in respect of the previous financial year ended 31 March 2015, and an interim one-tier tax exempt ordinary dividend of 6.8 cents per share totalling S$1.08 billion was paid in respect of the current financial year ended 31 March 2016.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.71 billion in respect of the current financial year ended 31 March 2016 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.71 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2017.

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For the financial year ended 31 March 2016

35. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

35.1 Financial assets and liabilities measured at fair value

Group 2016	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	**41.5**	**–**	**–**	**41.5**
- Unquoted investments	**–**	**–**	**42.9**	**42.9**
	41.5	**–**	**42.9**	**84.4**
Derivative financial instruments (**Note 25.1**)	**–**	**640.1**	**–**	**640.1**
	41.5	**640.1**	**42.9**	**724.5**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**–**	**340.8**	**–**	**340.8**
	–	**340.8**	**–**	**340.8**

Group 2015	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	100.8	–	–	100.8
- Unquoted investments	–	–	100.5	100.5
	100.8	–	100.5	201.3
Derivative financial instruments (**Note 25.1**)	–	771.9	–	771.9
	100.8	771.9	100.5	973.2
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	282.2	–	282.2
	–	282.2	–	282.2

Notes to the Financial Statements

For the financial year ended 31 March 2016

35.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company 2016	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**27.4**	**–**	**–**	**27.4**
- Unquoted equity securities	**–**	**–**	**7.7**	**7.7**
	27.4	**–**	**7.7**	**35.1**
Derivative financial instruments (**Note 25.1**)	**–**	**330.5**	**–**	**330.5**
	27.4	**330.5**	**7.7**	**365.6**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**–**	**430.4**	**–**	**430.4**
	–	**430.4**	**–**	**430.4**

Company 2015	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	34.1	–	–	34.1
- Unquoted equity securities	–	–	9.5	9.5
	34.1	–	9.5	43.6
Derivative financial instruments (**Note 25.1**)	–	493.4	–	493.4
	34.1	493.4	9.5	537.0
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	449.2	–	449.2
	–	449.2	–	449.2

Note:
(1) Excluded AFS investments stated at cost of S$63.1 million (2015: S$67.0 million).

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

Notes to the Financial Statements

For the financial year ended 31 March 2016

35.1 Financial assets and liabilities measured at fair value *(Cont'd)*

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

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
AFS investments - unquoted				
Balance as at 1 April	**100.5**	108.2	**9.5**	10.5
Total (losses)/ gains included in 'Fair Value Reserve'	**(43.4)**	4.9	**(1.8)**	(1.0)
Additions	**1.9**	–	**–**	–
Provision for impairment	**(6.4)**	–	**–**	–
Disposals	**(13.3)**	(15.6)	**–**	–
Transfer from Level 3	**–**	(5.8)	**–**	–
Transfer to Level 3	**3.6**	8.8	**–**	–
Balance as at 31 March	**42.9**	100.5	**7.7**	9.5

35.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
2016	**S$ Mil**	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial liabilities					
Group					
Bonds (**Note 30.1**)	**8,347.6**	**6,100.1**	**2,746.3**	**–**	**8,846.4**
Company					
Bonds (**Note 30.1**)	**747.2**	**969.0**	**–**	**–**	**969.0**

	Carrying Value	Fair value			
2015	**S$ Mil**	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial liabilities					
Group					
Bonds (**Note 30.1**)	7,240.7	5,478.3	2,101.8	–	7,580.1
Company					
Bonds (**Note 30.1**)	925.2	1,015.7	–	–	1,015.7

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2016, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

36.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is exposed to foreign exchange risks from its operations in Bangladesh, Sri Lanka and 17 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

36.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2016, after taking into account the effect of interest rate swaps, approximately 76% (2015: 72%) of the Group's borrowings were at fixed rates of interest.

Notes to the Financial Statements

For the financial year ended 31 March 2016

36.3 Interest Rate Risk *(Cont'd)*

As at 31 March 2016, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$14.1 million (2015: S$12.8 million).

36.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

36.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

36.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

37. SEGMENT INFORMATION

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

Singtel Group is structured into three business segments, namely Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, namely AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales. From 1 April 2015, certain businesses which were previously with Group Digital Life were transferred to Group Consumer.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Notes to the Financial Statements

For the financial year ended 31 March 2016

37. SEGMENT INFORMATION *(Cont'd)*

Group Digital Life ("**GDL**") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses - digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8. Certain businesses which were previously within GDL were transferred to Group Consumer.

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

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

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

The Group's reportable segments by the three business segments for the financial year ended 31 March 2016 and 31 March 2015 were as follows –

Group — 2016	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	**10,110.2**	**6,396.9**	**454.1**	**–**	**16,961.2**
Operating expenses	(6,969.7)	(4,466.6)	(587.7)	(72.8)	(12,096.8)
Other income	125.8	28.4	(3.1)	(2.8)	148.3
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,266.3	1,958.7	(136.7)	(75.6)	5,012.7
Share of pre-tax results of associates and joint ventures					
- Airtel	678.1	–	–	–	678.1
- Telkomsel	1,139.6	–	–	–	1,139.6
- Globe	335.4	–	–	–	335.4
- AIS	453.4	–	–	–	453.4
- Others	1.1	–	–	183.2	184.3
	2,607.6	–	–	183.2	2,790.8
EBITDA and share of pre-tax results of associates and joint ventures	5,873.9	1,958.7	(136.7)	107.6	7,803.5
Depreciation and amortisation	(1,455.4)	(621.6)	(68.8)	(3.0)	(2,148.8)
Earnings before interest and tax ("EBIT")	4,418.5	1,337.1	(205.5)	104.6	5,654.7
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,478.7	–	–	–	5,478.7
- Telkomsel	3,471.0	–	–	–	3,471.0
- Globe	1,079.9	–	–	–	1,079.9
- AIS	605.7	–	–	–	605.7
- Others	24.7	–	–	426.2	450.9
	10,660.0	–	–	426.2	11,086.2
Goodwill on acquisition of subsidiaries	9,191.2	1,195.8	703.3	–	11,090.3
Other assets	11,728.9	5,228.5	608.8	3,823.0	21,389.2
	31,580.1	6,424.3	1,312.1	4,249.2	43,565.7

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For the financial year ended 31 March 2016

37. SEGMENT INFORMATION *(Cont'd)*

Group — 2015	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	10,559.4	6,320.4	343.1	–	17,222.9
Operating expenses	(7,354.3)	(4,296.1)	(554.8)	(78.4)	(12,283.6)
Other income	111.5	36.9	(4.2)	7.2	151.4
EBITDA	3,316.6	2,061.2	(215.9)	(71.2)	5,090.7
Share of pre-tax results of associates and joint ventures					
- Airtel	735.7	–	–	–	735.7
- Telkomsel	982.3	–	–	–	982.3
- Globe	305.6	–	–	–	305.6
- AIS	431.0	–	–	–	431.0
- Others	1.1	–	–	123.1	124.2
	2,455.7	–	–	123.1	2,578.8
EBITDA and share of pre-tax results of associates and joint ventures	5,772.3	2,061.2	(215.9)	51.9	7,669.5
Depreciation and amortisation	(1,478.0)	(608.4)	(72.9)	(2.1)	(2,161.4)
EBIT	4,294.3	1,452.8	(288.8)	49.8	5,508.1
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,323.3	–	–	–	5,323.3
- Telkomsel	3,410.1	–	–	–	3,410.1
- Globe	1,049.8	–	–	–	1,049.8
- AIS	686.3	–	–	–	686.3
- Others	24.1	–	–	352.6	376.7
	10,493.6	–	–	352.6	10,846.2
Goodwill on acquisition of subsidiaries	9,191.9	175.1	756.0	–	10,123.0
Other assets	10,869.2	4,897.9	781.8	4,548.7	21,097.6
	30,554.7	5,073.0	1,537.8	4,901.3	42,066.8

Notes to the Financial Statements

For the financial year ended 31 March 2016

37. SEGMENT INFORMATION *(Cont'd)*

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

	Group	
	2016 S$ Mil	**2015 S$ Mil**
EBIT	**5,654.7**	5,508.1
Share of exceptional items of associates and joint ventures (post-tax)	**67.2**	(31.7)
Share of tax expense of associates and joint ventures	**(863.1)**	(811.8)
Write-back of impairment provision on an associate	**31.7**	–
Exceptional items	**(44.8)**	14.8
Profit before interest, investment income (net) and tax	**4,845.7**	4,679.4
Interest and investment income (net)	**94.7**	92.8
Finance costs	**(359.6)**	(309.2)
Profit before tax	**4,580.8**	4,463.0

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2016 and 31 March 2015.

38. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Not later than one year	**349.7**	400.4	**101.7**	99.7
Later than one but not later than five years	**1,220.6**	1,033.4	**298.7**	296.2
Later than five years	**1,773.3**	1,668.1	**427.2**	502.2
	3,343.6	3,101.9	**827.6**	898.1

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$41.8 million (2015: S$41.2 million) per annum under those contracts. The operating lease payments under such contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

Notes to the Financial Statements

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39. COMMITMENTS

39.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 39.2**, were as follows –

	Group		Company	
	2016 S$ Mil	**2015 S$ Mil**	**2016 S$ Mil**	**2015 S$ Mil**
Authorised and contracted for	**1,618.7**	686.2	**346.5**	248.2

39.2 As at 31 March 2016, the Group's commitments for the purchase of broadcasting programme rights were S$904 million (2015: S$362 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

40. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2016,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$337.1 million and S$103.2 million (31 March 2015: S$413.8 million and S$225.4 million) respectively.

(ii) The Company provided guarantees for loans of S$740 million (31 March 2015: S$800 million) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between December 2016 and May 2017.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.63 billion (31 March 2015: S$3.70 billion) due between July 2016 and June 2025.

(b) Consistent with other large groups, Singapore Telecom Australia Investments Pty Limited ("**STAI**"), the head tax entity in Australia, has been subject to information requests from the Australian Taxation Office ("**ATO**"). In December 2013, STAI received a tax position paper from the ATO in connection with the acquisition financing of Optus and subsequently, on 22 October 2014, STAI received a Statement of Audit Position. On 30 November 2015, STAI received the final Statement of Audit Position from the ATO. STAI has requested the final Statement of Audit Position to be subject to an Independent Review within the ATO. STAI has received advice from external experts in relation to the matter and intends to defend its position. Accordingly, no provision has been made as at 31 March 2016.

(c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

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41. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Airtel, a 32.9% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (Singtel's share: S$348 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (Singtel's share: S$61 million) for holding GSM spectrum beyond 6.2 MHz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (Singtel's share: S$287 million) for GSM spectrum held beyond 4.4 MHz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2016, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 102 billion (Singtel's share: S$683 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Group has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders' agreement between EWL and former shareholders of ANL in 2006. Airtel is appealing earlier court and arbitral decisions and is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of applicable seller's indemnities in respect of such matters.

(b) The Group holds an equity interest of 23.3% in AIS.

In 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded that AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively pay additional revenue shares of THB 31.5 billion (Singtel's share: S$281 million) and THB 3.4 billion (Singtel's share: S$30 million) arising from the abolishment of excise tax. These claims were dismissed by the lower tribunals and are now pending appeal by TOT and CAT before the Supreme Administrative Court and Central Administrative Court respectively.

In 2011 and in 2014, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2012 amounting to THB 27.8 billion (Singtel's share: S$248 million) plus interest. The claims are pending arbitration.

In 2015, TOT demanded that AIS pays additional revenue share of THB 62.8 billion (Singtel's share: S$560 million) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

In 2016, TOT revised an earlier demand made in 2014 to THB 41.1 billion (Singtel's share: S$367 million) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

As at 31 March 2016, there are a number of other claims filed by third parties against AIS and its subsidiaries amounting to THB 23.6 billion (Singtel's share: S$211 million) which are pending adjudication.

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

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41. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES *(Cont'd)*

(c) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

(d) The Group holds an equity interest of 35% in Telkomsel. As at 31 March 2016, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 511 billion (Singtel's share: S$18 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

42. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

Certain new or revised FRS and INT FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2016.

(a) <u>FRS 115 *Revenue from Contracts with Customers*</u>
FRS 115 was issued in November 2014, which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the revenue recognition guidance under FRS 18, *Revenue* and FRS 11, *Construction Contracts* as well as the related interpretations when it becomes effective. This will take effect from financial year beginning on or after 1 April 2018, with retrospective application.

(b) <u>FRS 109 *Financial Instruments*</u>
FRS 109 was issued in December 2014 to replace FRS 39, *Financial Instruments: Recognition and Measurement*. The Standard introduced new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. This will take effect from financial year beginning on or after 1 April 2018, with retrospective application.

The Group is currently assessing the impact of the above FRS on the financial statements of the Group and the Company in the period of initial application.

The other new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group and the Company in the period of initial application.

43. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2016 and 31 March 2015.

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
1.	Amobee Group Pte Ltd	Provider of digital marketing services	**100**	100
2.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	100
3.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	**100**	100
4.	Hawk Digital Holding Co Pte. Ltd.	Investment holding	**100**	100
5.	Hawk Digital Pte. Ltd.	Investment holding	**100**	100
6.	HOOQ Digital Holdings Pte. Ltd.	Investment holding	**100**	100
7.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	**65**	65
8.	HOOQ Digital SG1 Pte. Ltd.	Investment holding	**65**	65
9.	HOOQ Digital SG2 Pte. Ltd.	Investment holding	**65**	65
10.	HOOQ Holdings Pte. Ltd.	Investment holding	**100**	100
11.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
12.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
13.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
14.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
15.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
16.	Singapore Telecom Mobile Pte Ltd	Investment holding and provision of consultancy services	**100**	100
17.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
18.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
19.	Singtel Asia Pacific Investments Pte. Ltd.	Investment holding and provision of consultancy services	**100**	100
20.	Singtel Asian Investments Pte Ltd	Investment holding	**100**	100
21.	Singtel Enterprise Security Pte. Ltd.	Investment holding	**100**	–
22.	Singtel Digital Life Pte. Ltd.	Investment holding	**100**	100
23.	Singtel Group Treasury Pte. Ltd.	Provision of finance and treasury services to Singtel and its subsidiaries	**100**	100
24.	Singtel Idea Factory Pte. Ltd.	Engaged in research and development, products and services development and business partnership	**100**	100
25.	Singtel Innov8 Pte. Ltd.	Venture capital investment holding	**100**	100
26.	Singtel International Investments Private Limited	Investment holding	**100**	100
27.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	100
28.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
29.	Singtel Singapore Pte. Ltd.	Investment holding	**100**	100
30.	Singtel Strategic Investments Pte Ltd	Investment holding	**100**	100
31.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
32.	Subsea Network Services Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
33.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
34.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	**100**	100
35	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100

All companies are audited by Deloitte & Touche LLP.

43.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
1.	Amobee ANZ Pty Ltd	Provider of digital marketing services	**100**	100
2.	Alphawest Services Pty Ltd (1)	Provision of information technology services	**100**	100
3.	Ensyst Pty Limited	Provision of cloud services	**100**	100
4.	Inform Systems Australia Pty Ltd (1)	Provision of information technology services	**100**	100
5.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
6.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	**100**	100
7.	Optus Backbone Investments Pty Limited	Investment in telecommunications network infrastructure in Australia	**100**	100
8.	Optus Billing Services Pty Limited (*)	Provision of billing services to the Optus Group	**100**	100
9.	Optus Broadband Pty Limited (1)	Provision of high speed residential internet service	**100**	100
10.	Optus C1 Satellite Pty Limited (1)	C1 Satellite contracting party	**100**	100
11.	Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
12.	Optus Finance Pty Limited [(1)]	Provision of financial services to the Optus Group	**100**	100
13.	Optus Fixed Infrastructure Pty Limited (formerly known as XYZed Pty Ltd) [(1)]	Provision of telecommunications services	**100**	100
14.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
15.	Optus Internet Pty Limited [(1)]	Provision of internet services to retail customers	**100**	100
16.	Optus Mobile Pty Limited [(1)]	Provision of mobile phone services	**100**	100
17.	Optus Narrowband Pty Limited [(*)]	Provision of narrowband portal content services	**100**	100
18.	Optus Networks Pty Limited [(1)]	Provision of telecommunications services	**100**	100
19.	Optus Rental & Leasing Pty Limited [(*)]	Provision of equipment rental services to customers	**100**	100
20.	Optus Stockco Pty Limited [(*)]	Purchases of Optus Group network inventory	**100**	100
21.	Optus Systems Pty Limited [(1)]	Provision of information technology services to the Optus Group	**100**	100
22.	Optus Vision Interactive Pty Limited [(*)]	Provision of interactive television services	**100**	100
23.	Optus Vision Media Pty Limited [(*)] [(2)]	Provision of broadcasting related services	**20**	20
24.	Optus Vision Pty Limited [(1)]	Provision of telecommunications services	**100**	100
25.	Perpetual Systems Pty Ltd [(1)]	Provision of IT disaster recovery services	**100**	100
26.	Prepaid Services Pty Limited [(1)]	Distribution of prepaid mobile products	**100**	100
27.	Reef Networks Pty Ltd [(1)]	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
28.	Singapore Telecom Australia Investments Pty Limited	Investment holding	**100**	100
29.	Simplus Mobile Pty Limited [(1)]	Provision of mobile phone services	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2016 %	2015 %
30.	Singtel Enterprise Security (Australia) Pty Limited	Investment holding	**100**	–
31.	Singtel Optus Pty Limited	Investment holding	**100**	100
32.	Source Integrated Networks Pty Limited (1)	Provision of data communications and network services	**100**	100
33.	Uecomm Operations Pty Limited (1)	Provision of data communication services	**100**	100
34.	Virgin Mobile (Australia) Pty Limited (1)	Provision of mobile phone services	**100**	100
35.	Vividwireless Group Limited	Provision of wireless broadband services	**100**	100
36.	XYZed LMDS Pty Limited (*)	Holder of telecommunications licence	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

43.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
1.	Adconion Media, Inc.	Provision of digital marketing services	USA	**100**	100
2.	Amobee, Inc. (2)	Provision of digital marketing services	USA	**100**	100
3.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
4.	HOOQ Digital (India) Inc.	Provision of internet video and related activities and services	India	**65**	–
5.	HOOQ Digital (Philippines) Inc.	Provision of marketing support	Philippines	**65**	–

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
6.	HOOQ Digital (Thailand) Company Limited	Provision of marketing support	Thailand	**65**	–
7.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	**65**	65
8.	Information Network Services Sdn Bhd	Provision of marketing and administrative support	Malaysia	**100**	100
9.	Kontera Technologies, Inc.	Provision of digital marketing services	USA	**100**	100
10.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
11.	NCS Information Technology (Suzhou) Co., Ltd. (3)	Software development and provision of information technology services	People's Republic of China	**100**	100
12.	NCSI (Chengdu) Co., Ltd (3)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
13.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
14.	NCSI (Korea) Co., Limited	Provision of information technology consultancy and system integration services	South Korea	**100**	100
15.	NCSI Lanka (Private) Limited	Provision of information technology and communication engineering services	Sri Lanka	**100**	100
16.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
17.	NCSI (ME) W.L.L.	Provision of information technology and communication engineering services	Bahrain	**100**	100
18.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
19.	NCSI (Shanghai), Co. Ltd [(3)]	Provision of system integration, software research and development and other information technology-related services	People's Republic of China	**100**	100
20.	Pastel Limited	Investment holding	Mauritius	**100**	100
21.	Singtel Enterprise Security (US), Inc.	Investment holding	USA	**100**	–
22.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100
23.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	100
24.	Singtel Mobile Marketing, Inc.	Investment holding	USA	**100**	100
25.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
26.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	**100**	100
27.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
28.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
29.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
30.	Singtel Australia Investment Ltd	Investment holding	British Virgin Islands	**100**	100
31.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
32.	SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
33.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
34.	Singtel Ventures (Cayman) Pte Ltd	Investment holding	Cayman Islands	**100**	100
35.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
36.	Trustwave Holdings, Inc.	Provision of managed security services	USA	**98**	–
37.	Trustwave Limited	Provision of managed security services	United Kingdom	**98**	–
38.	Viridian Limited	Investment holding	Mauritius	**100**	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu Limited except for the company denoted (*) which is audited by another firm.

Notes:
(1) The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.
(2) The company has operations mainly in the USA, Australia, Israel, Singapore and the United Kingdom.
(3) Subsidiary's financial year-end is 31 December.

43.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
1.	2359 Media Pte. Ltd. (2)	Development and design of mobile-based advertising	Singapore	**28.6**	–
2.	ADSB Telecommunications B.V. (3)	Dormant	Netherlands	**–**	25.6
3.	APT Satellite Holdings Limited (4)	Investment holding	Bermuda	**20.3**	20.3
4.	APT Satellite International Company Limited (4)	Investment holding	British Virgin Islands	**28.6**	28.6
5.	HOPE Technik Pte Ltd	Provision of high performance unique engineering solutions	Singapore	**21.3**	–

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.4 Associates of the Group *(Cont'd)*

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
6.	IGA Limited [(2)]	Provision of online digital advertising platform	Cayman Islands	**22.1**	–
7.	Kai Square [(2)]	Provision of next generation cloud-based video surveillance services, monitoring and analytics based on a unified platform	Singapore	**39.2**	–
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	**48.9**	–
9.	NetLink Trust [(5)]	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**100.0**	100.0
10.	Sentilla Corporation [(2)]	Provision of energy management services for data centres	USA	**23.4**	–
11.	Singapore Post Limited [(6)]	Operation and provision of postal, logistics and retail services	Singapore	**22.8**	23.0
12.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.

(2) These companies were reclassified from 'Available-for-sale Investments' during the year.

(3) The company was liquidated during the year.

(4) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2015, the financial year-end of the company.

(5) Audited by Deloitte & Touche LLP, Singapore. NetLink Trust is a business trust established as part of IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network, and is currently 100% owned by Singtel. It is regarded as an associate as Singtel does not have effective control in the trust.

(6) Audited by PricewaterhouseCoopers LLP, Singapore.

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.5 Joint Ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
1.	Abacus Travel Systems Pte Ltd (3)	Marketing and distributing certain travel-related services through on-line airline computerised reservations systems	Singapore	**–**	30.0
2.	Acasia Communications Sdn Bhd (4)	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3
3.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**41.7**	41.7
4.	Advanced Info Service Public Company Limited (5)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
5.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
6.	ASEAN Telecom Holdings Sdn Bhd (4)	Investment holding	Malaysia	**14.3**	14.3
7.	Asiacom Philippines, Inc. (4)	Investment holding	Philippines	**40.0**	40.0
8.	Bharti Airtel Limited (6)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**32.9**	32.4
9.	Bharti Telecom Limited (6)	Investment holding	India	**39.8**	39.8
10.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**33.8**	33.8
11.	Globe Telecom, Inc. (7) (8)	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**21.5**	21.5
12.	Grid Communications Pte. Ltd. (4)	Provision of public trunk radio services	Singapore	**50.0**	50.0
13.	Indian Ocean Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0

Notes to the Financial Statements

For the financial year ended 31 March 2016

43.5 Joint Ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2016 %	2015 %
14.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
15.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
16.	OPEL Networks Pty Limited	Dormant	Australia	**50.0**	50.0
17.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
18.	Pacific Carriage Holdings Limited (9)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
19.	PT Telekomunikasi Selular (10)	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
20.	Radiance Communications Pte Ltd (4)	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
21.	Southern Cross Cables Holdings Limited (9) (11)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
22.	SSBI Pte. Ltd.	Dormant	Singapore	**50.0**	50.0
23.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	50.0
24.	VA Dynamics Sdn. Bhd. (4)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

(3) The company has been disposed during the year.

(4) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2015, the financial year-end of the company.

(5) Audited by KPMG Phoomchai Audit Ltd, Bangkok. The company changed its auditor to Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok from January 2016.

(6) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young). The company has operations in India, Bangladesh, Sri Lanka, and 17 countries across Africa.

(7) Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).

(8) The Group has a 47.2% effective economic interest in Globe.

(9) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.

(10) Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).

(11) Audited by KPMG, Bermuda.

Interested Person Transactions

The aggregate value of all interested person transactions during the financial year ended 31 March 2016 (excluding transactions less than S$100,000) were as follows –

Name of interested person	S$ Mil
Advanced Info Service Public Company Limited	3.1
Aetos Security Management Pte Ltd	2.8
APL Global Service Center (ChongQing) Co. Ltd	0.1
AusNet Electricity Services Pty Ltd	1.0
Bharti Telecom Limited	214.2
Fullerton Fund Management Company Ltd	0.3
iShopAero Pte Ltd	0.9
MediaCorp Pte Ltd	0.3
MediaCorp TV Singapore Pte Ltd	0.2
NexWave Technologies Pte Ltd	0.4
Nucleus Connect Pte Ltd	5.3
Radiance Communications Pte Ltd	0.6
Singapore Technologies Aerospace Ltd	0.5
Singapore Technologies Electronics Limited	6.7
SingEx Exhibition Ventures Pte Ltd	0.1
SMRT Trains Ltd	0.1
SMM Pte Ltd	0.3
SP Services Ltd	0.3
StarHub Ltd	20.3
StarHub Cable Vision Ltd	29.5
StarHub Mobile Pte Ltd	5.9
ST Electronics (Info-Comm Systems) Pte Ltd	0.8
Temasek Holdings Consulting (Shanghai) Co. Ltd.	0.5
Trusted Source Pte Ltd	0.2
	294.4

Shareholder Information

As at 30 May 2016

ORDINARY SHARES

Number of ordinary shareholders	303,732

Voting rights:
On a show of hands – every member present in person and each proxy shall have one vote
On a poll – every member present in person or by proxy shall have one vote for every share he holds or represents (The Company cannot exercise any voting rights in respect of shares held by it as treasury shares)

Singtel shares are listed on Singapore Exchange Securities Trading Limited. Prior to 5 June 2015, Singtel shares were listed on ASX Limited (ASX) (in the form of CHESS Depositary Interests). Singtel delisted from the ASX on 5 June 2015.

SUBSTANTIAL SHAREHOLDERS

	No. of shares	
	Direct interest	**Deemed interest**
Temasek Holdings (Private) Limited	8,132,818,602	18,761,561 [1]

Note:

[1] Deemed through interests of subsidiaries and associated companies.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of shares held	% of issued share capital [1]
1	Temasek Holdings (Private) Limited	8,132,818,602	51.01
2	Citibank Nominees Singapore Pte Ltd	1,847,055,901	11.58
3	DBS Nominees (Private) Limited	1,716,685,982 [2]	10.77
4	DBSN Services Pte Ltd	1,393,743,842	8.74
5	Central Provident Fund Board	870,587,133	5.46
6	HSBC (Singapore) Nominees Pte Ltd	651,142,118	4.08
7	United Overseas Bank Nominees (Private) Limited	336,189,021	2.11
8	BNP Paribas Securities Services	202,529,466	1.27
9	Raffles Nominees (Pte) Ltd	122,526,550	0.77
10	DB Nominees (Singapore) Pte Ltd	19,820,202	0.12
11	Bank of Singapore Nominees Pte Ltd	17,539,443	0.11
12	OCBC Nominees Singapore Private Limited	16,921,393	0.11
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	14,527,654	0.09
14	Merrill Lynch (Singapore) Pte Ltd	9,110,313	0.06
15	Societe Generale Singapore Branch	8,554,068	0.05
16	Chua Sock Koong	6,001,987	0.04
17	OCBC Securities Private Ltd	5,920,794	0.04
18	Macquarie Capital Securities (Singapore) Pte Limited	5,703,188	0.04
19	Yeo Kok Seng	4,872,110	0.03
20	Lew Yoong Keong Allen	4,772,876	0.03
		15,387,022,643	96.51

Notes:

[1] The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 30 May 2016, excluding 593,494 ordinary shares held as treasury shares as at that date.

[2] Excludes 593,494 ordinary shares held by DBS Nominees (Private) Limited as treasury shares for the account of the Company.

Shareholder Information

As at 30 May 2016

ANALYSIS OF SHAREHOLDERS

Range of holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 - 99	2,666	0.88	104,424	0.00
100 - 1,000	244,980	80.66	59,114,979	0.37
1,001 - 10,000	48,599	16.00	158,634,794	0.99
10,001 - 1,000,000	7,441	2.45	282,075,845	1.77
1,000,001 and above	46	0.01	15,443,646,907	96.87
	303,732	100.00	15,943,576,949	100.00

Note:
Based on information available to the Company as at 30 May 2016, approximately 49% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with. The percentage of issued ordinary shares held by the public is calculated based on the number of issued ordinary shares of the Company as at 30 May 2016, excluding 593,494 ordinary shares held as treasury shares as at that date. The percentage of such treasury shares against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.004%.

SHARE PURCHASE MANDATE

At the 23rd Annual General Meeting of the Company held on 21 July 2015 (**2015 AGM**), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 5% of the issued ordinary share capital of the Company as at the date of the 2015 AGM. As at 30 May 2016, there is no current on market buy-back of shares pursuant to the mandate.

Corporate Information [1]

BOARD OF DIRECTORS

Simon Israel (Chairman)
Bobby Chin
Chua Sock Koong (Group CEO)
Venky Ganesan
Low Check Kian
Peter Mason AM [2]
Christina Ong
Peter Ong
Teo Swee Lian

AUDIT COMMITTEE

Bobby Chin (Chairman)
Christina Ong
Peter Ong
Teo Swee Lian

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Low Check Kian (Chairman)
Simon Israel
Christina Ong

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Peter Mason AM [2] (Chairman)
Simon Israel
Teo Swee Lian

FINANCE AND INVESTMENT COMMITTEE

Simon Israel (Chairman)
Venky Ganesan
Low Check Kian

RISK COMMITTEE

Bobby Chin (Chairman)
Peter Ong
Teo Swee Lian

OPTUS ADVISORY COMMITTEE

Peter Mason AM [2] (Chairman)
Chua Sock Koong
David Gonski AC [3]
Simon Israel
John Morschel
Paul O'Sullivan

TECHNOLOGY ADVISORY PANEL

Koh Boon Hwee (Chairman)
Venky Ganesan
Doug Haynes
Lim Chuan Poh
Jonathan Miller
Erez Ofer

ASSISTANT COMPANY SECRETARY

Lim Li Ching

REGISTERED OFFICES

In Singapore:
31 Exeter Road
Comcentre
Singapore 239732
Republic of Singapore
Tel: +65 6838 3388
Fax: +65 6732 8428
Website: www.singtel.com

In Australia:
Level 4, Building C
1 Lyonpark Road, Macquarie Park
NSW 2113 Australia
Tel: +61 2 8082 7800
Fax: +61 2 8082 7100
Website: www.optus.com.au

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902
Republic of Singapore
Tel: +65 6228 0544
Fax: +65 6225 1452
Email: annualreports@mncsingapore.com
Website: www.mncsingapore.com

SINGTEL AMERICAN DEPOSITARY RECEIPTS

Citibank Shareholder Services
PO Box 43077
Providence, Rhode Island 02940-3077
USA
Tel: 1 877 248 4237
(Toll free within USA)
Tel: +1 781 575 4555 (Outside USA)
Email: citibank@shareholders-online.com
Website: www.citi.com/dr

AUDITOR

Deloitte & Touche LLP
(appointed on 28 July 2006)
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Republic of Singapore
Tel: +65 6224 8288
Fax: +65 6538 6166

Audit Partner: Chaly Mah Chee Kheong

INVESTOR RELATIONS

31 Exeter Road
#19-00 Comcentre
Singapore 239732
Republic of Singapore
Tel: +65 6838 2123
Email: investor@singtel.com

Notes:
[1] As at 25 May 2016.
[2] Member of the Order of Australia.
[3] Companion of the Order of Australia.

Contact Points

SINGAPORE

Singtel Headquarters
31 Exeter Road, Comcentre
Singapore 239732
Republic of Singapore
Tel: +65 6838 3388
Fax: +65 6732 8428
Website: www.singtel.com

NCS Pte. Ltd
5 Ang Mo Kio Street 62
NCS Hub, Singapore 569141
Republic of Singapore
Tel: +65 6556 8000
Fax: +65 6556 7000
Email: reachus@ncs.com.sg

AUSTRALIA

Singtel Optus Pty Limited
Sydney (Head Office)
Optus Centre Sydney
1 Lyonpark Road, Macquarie Park
NSW 2113, Australia
Tel: +61 2 8082 7800
Fax: +61 2 8082 7100
Website: www.optus.com.au

Adelaide
Level 6, 108 North Terrace
Adelaide, SA 5000, Australia
Tel: +61 87328 5114
Fax: +61 1800 500 261

Brisbane
Level 21, 12 Creek Street
Brisbane, QLD 4000, Australia
Tel: +61 7 3317 3700
Fax: +61 7 3317 3320

Canberra
Level 3, 10 Moore Street
Canberra, ACT 2601, Australia
Tel: +61 2 6222 3800
Fax: +61 2 6222 3838

Darwin
Optus Centre Darwin
49 Woods Street Darwin
NT 0800, Australia
Tel: +61 8 8901 4500
Fax: +61 8 8901 4505

Melbourne
367 Collins Street
Melbourne, VIC 3000, Australia
Tel: +61 3 9233 4000
Fax: +61 3 9233 4900

Perth
Level 3, 1260 Hay Street
West Perth, WA 6005, Australia
Tel: +61 8 9288 3000
Fax: +61 8 9288 3030

BANGLADESH

Dhaka
Singapore Telecommunications
Limited (Bangladesh Liaison Office)
Bay's 50, 15th Floor, South Block
50 Mohakhali
Dhaka 1212, Bangladesh
Tel: +880 2 883 5120
Fax: +880 2 988 0037
Email: SGOBLDSH@singtel.com

CHINA

Beijing
Unit 1503, Beijing Silver Tower 2
Dongsanhuanbei Road
Chaoyang District, Beijing 100027
People's Republic of China
Tel: +86 10 6410 6193 / 4 / 5
Fax: +86 10 6410 6196
Email: singtel-beij@singtel.com

Guangzhou
Room 3615,36F, BLK B, China Shine
No.9, Lin He Xi Road
Tian He District, Guangzhou 510610
People's Republic of China
Tel: +86 20 3886 3887
Fax: +86 20 3882 5545

Shanghai
Unit 707, 7F, KIC Plaza No 333
Song Hu Road, Shanghai 200433
People's Republic of China
Tel: +86 21 3362 0388
Fax:+86 21 3362 0389
Email: singtel-sha@singtel.com

EUROPE

Frankfurt
Platz der Einheit 1
60327 Frankfurt am Main, Germany
Tel: +49 69 975 03 445
Fax: +49 69 975 03 200
Email: singtel-germany@singtel.com

London
Birchin Court
20 Birchin Lane
London EC3V 9DU
United Kingdom
Tel: +44 20 7122 8000
Fax: +44 20 7122 8088
Email: singtel-uk@singtel.com

HONG KONG

Quarry Bay
21/F., 1063 King's Road
Quarry Bay, Hong Kong
Tel: +852 2877 1500
Fax: +852 2802 1500
Email: singtel-hk@singtel.com

INDIA

Bangalore
Suite no.304 DBS Business Centre
26 Cunningham Road
Bangalore 560052, India
Tel: +91 80 2226 7272
Fax: +91 80 2225 0509
Email: singtel-ind@singtel.com

Chennai
20/30, Paras Plaza
3rd Floor, Cathedral Garden Road
Nungambakkam
Chennai 600034, India
Tel: +91 44 4264 9410
Fax: +91 44 4264 9414
Email: singtel-ind@singtel.com

Hyderabad
Reliance Business Centre
303 Swapna Lok Complex
92 Sarojini Devi Road
Secunderabad 500003, India
Tel: +91 40 2781 2699
Fax: +91 40 2781 2724
Email: singtel-ind@singtel.com

Contact Points

Mumbai
301-303, 3rd Floor, Midas
Sahar Plaza Complex, Mathuradas
Vasanji Road, Andheri East
Mumbai 400059, India
Tel: +91 22 2824 4999 /
+91 22 4075 7777
Fax: +91 22 2824 4996
Email: singtel-ind@singtel.com

New Delhi
5th Floor, A Wing, Statesman House
148 Barakhamba Road
New Delhi 110001, India
Tel: +91 11 4152 1199 /
+91 11 4362 1199
Fax: +91 11 4152 1683
Email: singtel-ind@singtel.com

INDONESIA

Jakarta
Noble House, 9th Floor Unit.5
Jl. Dr. Ide Anak Agung Gde Agung
Kav. E 4.2 No. 2
Jakarta 12950, Indonesia
Tel: +62 21 2978 3058
Email: singtel-ina@singtel.com

JAPAN

Tokyo
Arco Tower 9F
1-8-1 Shimomeguro
Meguro-ku
Tokyo 153-0064, Japan
Tel: +81 3 5437 7033
Fax: +81 3 5437 7066
Email: singtel-jpn@singtel.com

Osaka
3F Shin-Osaka Hankyu Building
1-1-1 Miyahara
Yodogawa-ku
Osaka 530-0003, Japan
Tel: +81 6 7668 8417
Email: singtel-jpn@singtel.com

KOREA

Seoul
06236, 11 Flr, Capital Tower
736-1, Yeoksam-dong, Kangnam-Gu
Seoul, Korea
Tel: +82 2 3287 7575
Fax: +82 2 3287 7589
Email: singtel-kor@singtel.com

MALAYSIA

Kuala Lumpur
602B, Level 6, Tower B, Uptown 5
5, Jalan SS21/39, Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603 7728 2813
Fax: +603 7727 6186
Email: sgomals@singtel.com

MIDDLE EAST

Dubai
Dubai Internet City Building #1
#1 Floor, #110
P O Box 502430
Dubai, United Arab Emirates
Tel: +971 4363 6705
Fax: +971 4361 1063
Email: g-singtel-me@singtel.com

PHILIPPINES

Manila
Unit 1504 Liberty Center
104 H V de la Costa Street
Salcedo Village, Makati City 1227
Philippines
Tel: +63 2 887 2791
Fax: + 63 2 887 2763
Email: singtel-phil@singtel.com

TAIWAN

Taipei
2F, No 290, Section 4
Chung Hsiao East Road, Taipei
Taiwan, Republic of China
Tel: +886 2 2741 1688
Fax: +886 2 2778 6083
Email: singtel-twn@singtel.com

THAILAND

Bangkok
9th Floor, Unit 6
500 Amarin Tower
Ploenchit Road, Lumpini Pathumwan
Bangkok 10330, Thailand
Tel: +66 2 256 9875 / 6
Fax: +66 2 256 9808
Email: Sophida@singtel.com

USA

San Francisco (Head Office)
100 Marine Parkway Suite 450
Redwood City, CA 94065, USA
Tel: +1 650 508 6800
Fax: +1 650 508 1578
Email: singtel-usa@singtel.com

Chicago
8770 West Bryn Mawr Avenue
Suite 1314
Chicago, IL 60631, USA
Tel: +1 773 867 8122
Fax: +1 773 867 8121
Email: singtel-usa@singtel.com

New York
140 Broadway
Suite 2110
New York, NY 10015, USA
Tel: +1 212 269 7920
Fax: +1 212 269 7939
Email: singtel-usa@singtel.com

VIETNAM

Hanoi
Suite 704, CMC Tower
7th Floor
Duy Tan Street
Dich Vong Hau Ward
Cau Giay District
Hanoi City, Vietnam
Tel: +84 4 3943 2161
Fax: +84 4 3943 2163
Email: singtel-vn@singtel.com

Singapore Telecommunications Limited

31 Exeter Road
Comcentre
Singapore 239732
Republic of Singapore

+65 6838 3388

+65 6732 8428

www.singtel.com

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