



SUPERCHARGING THE FUTURE

Annual Report 2020





Credit: Orchard Road Business Association

Group
Enterprise

49

Group
Consumer

35



Group
Digital Life

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Governance and
Sustainability

63

Supercharging the Future

2020 will go down in history as the year COVID-19 put a halt to daily life as we know it. With staying home and social distancing highlighting the need for digital technology to keep us all connected, it will also be the year remembered for profound changes in communication behaviour. The arrival of 5G will not only prove timely in addressing these changes, it will also supercharge the future by reconfiguring how technology, data and services are deployed to meet consumers' needs, transforming industries and cities in the process. As a leader in communications technology, our goal is to keep innovating to improve the lives of our customers and stakeholders. We are proud to be advancing the 5G charge and committed to creating a brighter digital future for all.



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

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Scan here to view the Singtel Annual Report 2020 online.

Financial Highlights⁽¹⁾

	FY 2020	FY 2019
OPERATING REVENUE	S\$16,542m	S\$17,372m
EBITDA	S\$4,541m	S\$4,692m
EBIT	S\$3,704m	S\$4,006m
UNDERLYING NET PROFIT	S\$2,457m	S\$2,825m
NET PROFIT	S\$1,075m⁽²⁾	S\$3,095m
RETURN ON INVESTED CAPITAL ⁽³⁾	6.4%	7.7%
RETURN ON EQUITY	3.8%⁽²⁾	10.4%

Notes:

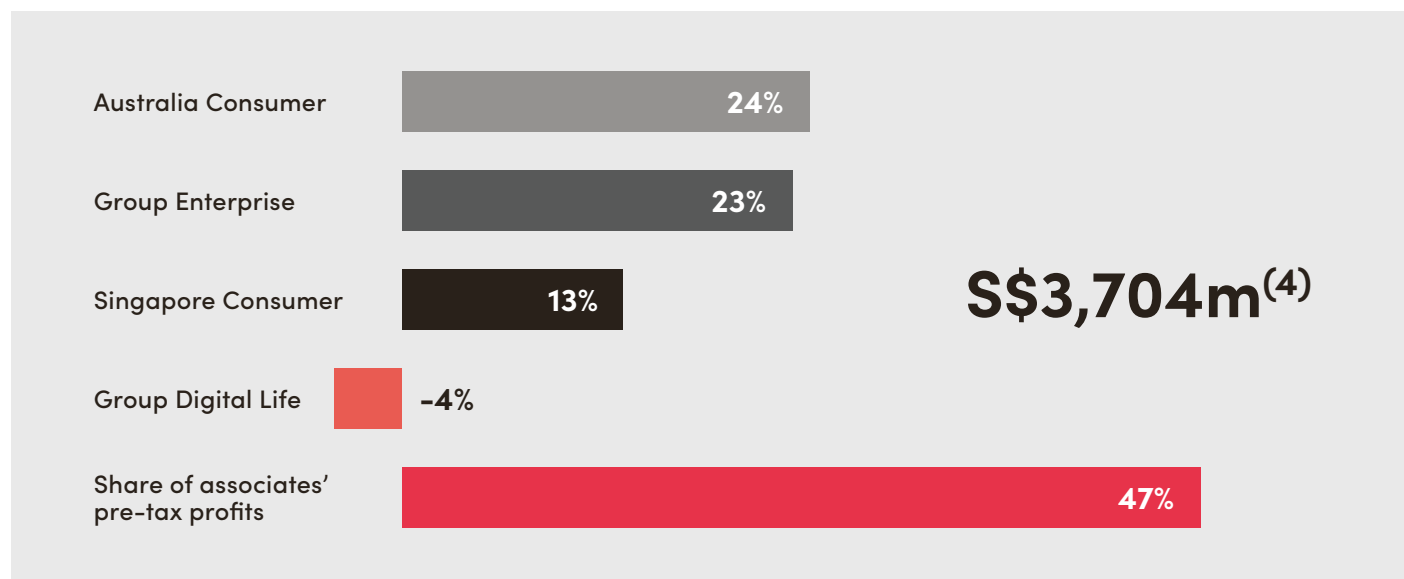
⁽¹⁾ Based on Singapore Financial Reporting Standards (International) (SFRS(I)). Includes the effects from adoption of SFRS(I) 16, Leases, from 1 April 2019 on a prospective basis.

⁽²⁾ Includes the Group's share of Airtel's net exceptional loss of S\$1.8 billion mainly for regulatory costs.

⁽³⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital.

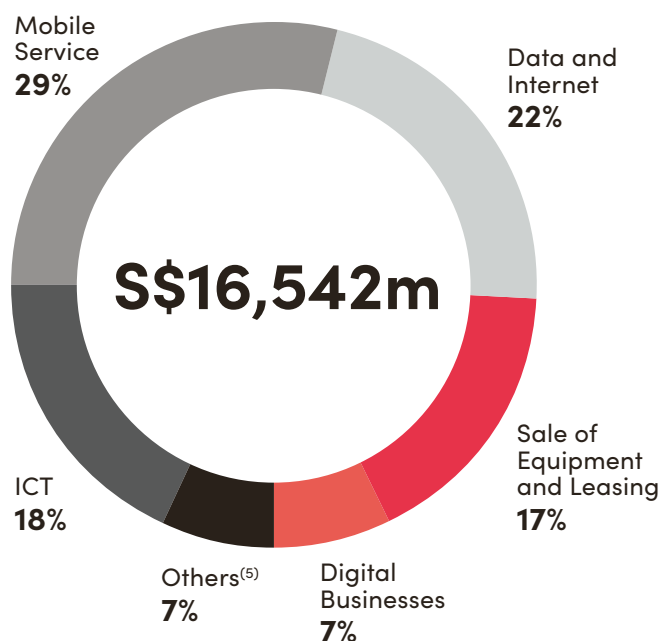
EBIT AND SHARE OF ASSOCIATES' PRE-TAX PROFITS

Contribution by Business



OPERATING REVENUE

Contribution by Product and Service



Notes:

⁽⁴⁾ Includes costs of S\$152 million from International Group and Corporate.

⁽⁵⁾ Includes mainly Fixed Voice and Pay Television.

SHAREHOLDER PAYOUT

Dividend Per Share (S¢)



For the financial year ended 31 March 2020, the Board has recommended a final ordinary dividend of 5.45 Singapore cents a share. Together with the interim dividend of 6.8 Singapore cents, the total ordinary dividend for the year is 12.25 Singapore cents, compared to 17.5 Singapore cents last year.

The reduction in dividend payout is prudent to conserve financial headroom to cope with uncertainties in the current COVID-19 operating environment and the capacity to invest in 5G.

FY 2020 Achievements

We are constantly innovating – whether it is investing in next-generation 5G networks and emerging technologies or enhancing our digital capabilities – we want to bring our customers best-in-class products and services.

MADE STRIDES IN 5G ACROSS THE REGION

- Singtel submitted its winning bid to operate a 5G network in Singapore.
- Optus expanded 5G coverage to over 800 fixed wireless sites in Australia.
- Globe launched the Philippines' first fixed wireless 5G network.
- AIS debuted Thailand's first commercial 5G service.



ENHANCED MOBILE FINANCIAL SERVICES

- Expanded Singtel's mobile wallet Dash's offerings and cross-border mobile payment alliance VIA to include Japan.
- Telkomsel's TCash integrated with Indonesia's LinkAja! app, a digital payment platform that also includes the e-wallets of several banks.



INNOVATED NEW PRODUCTS AND SERVICES

- Singtel launched StepUp, a digital wellness platform that rewards customers with local mobile data with every step they take.
- Optus introduced greater choice and flexibility with its customisable plans and no lock-in contracts.
- Telkomsel launched Indonesia's first digital prepaid mobile service by.U.



EXPANDED REGIONAL GAMING INITIATIVE

- Joined hands with SK Telecom and AIS to launch regional gaming joint venture and develop new gaming-related revenue streams.
- Scaled up Singtel's PVP Esports initiative, taking both PVP Esports Corporate and Campus Championships regional.



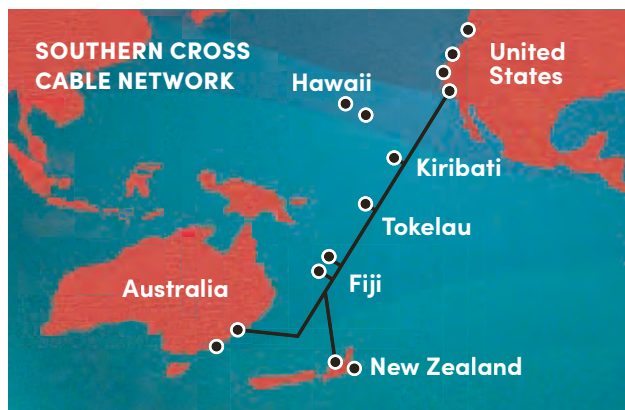
DEEPENED CYBER SECURITY CAPABILITIES

- Launched Trustwave's Fusion platform, a cloud-based platform that provides enterprises with real-time visibility of cyber threats and equips them with the ability to respond swiftly.



INVESTED IN AUSTRALIA-NEW ZEALAND-US SUBMARINE CABLE SYSTEM

- Enhanced regional connectivity with consortium partners through Southern Cross NEXT submarine cable, a new data super-highway between Australia, New Zealand and the US that will be completed in 2022.



LISTED AIRTEL AFRICA

- Airtel successfully listed Airtel Africa, the second largest mobile operator in Africa, on the London Stock Exchange and Nigeria Stock Exchange, raising US\$750 million.



RECOGNISED FOR COMMITMENT TO DIVERSITY AND SUSTAINABILITY

- Won the President's Award for the Environment 2019, Singapore's highest environmental accolade.
- Included in the Bloomberg Gender-Equality Index for the second year running.
- Singtel was the only Asian telco ranked among Corporate Knights' 2020 Global 100 Most Sustainable Corporations.



Chairman's Message

Dear Shareholders,

This has proven to be the most challenging year in Singtel's history, as we faced a convergence of intensified competition across our businesses, adverse regulatory and court rulings in India and an unprecedented public health crisis that has sent economies around the world reeling. Against this backdrop, our net profit for FY 2020 declined 65% to S\$1.08 billion. Excluding exceptionals, a key item being Airtel's regulatory charges, underlying net profit would have dropped 13% to S\$2.46 billion.

COMPETITION AND INDUSTRY HEADWINDS

Intensified competition across markets is eroding industry profit pools. In our consumer business, competition has driven up data allowances, blunting the ability to monetise data growth. We have seen the growth of MVNOs and value-seeking consumers shift to SIM Only plans. Given the financial stress experienced by consumers and businesses in a COVID-19 world, we expect this shift to value to become more pronounced.

Despite the heightened competition, we gained market share in mobile and fixed services in Singapore while our enterprise business also defended its market leadership not just in Singapore but across the region. Looking ahead, our recent 5G licence win will allow us to bolster our network leadership in Singapore and build a 5G ecosystem across the region with our associates. This should create new revenue opportunities as industries and enterprises use the intelligent connectivity we provide to transform their business models and grow their businesses.

AIRTEL PERFORMANCE RECOVERING

The Indian telecoms market has moved past the price war and consolidation of the last two years into an improved phase of market repair. Airtel has begun recording gains in pricing and market share in a three-player market, significantly improving last year's performance and carrying this momentum into the new year. During the year, it successfully raised capital and is well positioned to compete and invest as India transitions to a digital economy.

As a growth rather than a yield stock, Airtel does not contribute materially to Singtel's cash flow by way of dividends. The market value of our stake in Airtel at the end of FY 2020 was S\$15 billion, higher than the book value of S\$6 billion. Despite the challenges, your Board takes a long-term view of the growth potential of the Indian digital economy and the value of this business to Singtel.

BETTER POSITIONED POST-COVID

Singtel's management continues to steer the business through the uncertainty and impact of COVID-19. Contingency plans for dealing with the pandemic have been effective in keeping our people safe and ensuring business continuity, particularly the provision of essential services for our customers. With the pandemic changing the way we work and interact and how businesses engage their customers, the digitalisation that has been integral to our transformation these past years has allowed us to adapt and pivot seamlessly to the new normal. Building on our efforts in recent

years to move retail and enterprise customers to digital channels and services, we should emerge from this crisis better positioned overall.

WHERE WE STAND

The uncertainties of COVID-19 make it hard to forecast the year ahead and for this reason, Singtel did not issue any guidance at the financial year end. The Group has ensured ample liquidity and debt facilities to cope with the unpredictability of the current operating environment as well as commence our investment in the rollout of 5G where the returns are expected to be mid to long term in nature as applications emerge. Considering the implications of COVID-19 and future investment needs, the Board recommended a reduced final dividend of 5.45 cents bringing a total of 12.25 cents to shareholders for the full year. I trust you will understand this is a prudent necessity.

STANDING WITH THE COMMUNITY

We can be proud of the way Singtel has come together and stood with the community during this COVID-19 crisis. The reliance on our networks to work and learn from home during the circuit breaker period was a stark reminder that our services are critical to both the community and economy. Through a combination of employee commitment and company care, Singtel staff in key support and frontline roles continued heading into work, to serve the community. As a company, we also raised S\$2 million for vulnerable groups impacted by COVID-19, besides extending a range of free services to the broader society coping with the pressures of staying at home.

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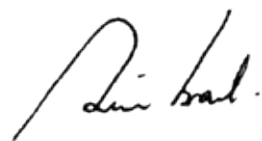
THANKS AND FAREWELL

I would like to extend my thanks and the thanks of the Board to all our frontliners and employees for holding the fort these past months. Knowing the Singtel DNA, I have every confidence they will see the company through this crisis to recovery. As I step down as Chairman, I would like to thank past and present Directors for their valuable guidance and support and our management for their tireless commitment to the business over many years. Their calm and discipline no matter the circumstances will undoubtedly lead the Group through the current volatility towards positive and progressive outcomes.

I'd also like to welcome Lee Theng Kiat, Executive Director of Temasek Holdings and Chairman of Temasek International, as the incoming Singtel Chairman. Theng Kiat's extensive experience in mobile communications and data services and his impeccable corporate governance and leadership credentials will be highly beneficial to Singtel as it charts its way forward in the new economy. Lastly, many thanks to our shareholders for their support these past years. It has been a privilege to serve.

Stay safe and keep well.

Yours sincerely,



SIMON ISRAEL
Chairman

”

With the pandemic changing the way we work and interact and how businesses engage their customers, the digitalisation that has been integral to our transformation these past years has allowed us to adapt and pivot seamlessly to the new normal.



GCEO Review

Dear Shareholders,

The world was thrust into uncharted territory as we moved into the last quarter of our financial year. The emergence of COVID-19 has disrupted not just lives but livelihoods, upending global supply chains and throwing already softening economies off course, many possibly into recession. This added to the structural pressures we are facing in our core business, most keenly felt by Optus this financial year. Combined with adverse regulatory outcomes in India, we've had one of our most trying years.

WORKING TOWARDS POST-COVID RECOVERY

Travel and movement restrictions have impacted our roaming and prepaid revenues while slowing economic growth has dampened business spend. While these factors exacerbated structural shifts in industry, we did gain market share across our Singapore mobile and fixed services as well as our enterprise business, particularly as corporations and government agencies intensified digitalisation, which also added to NCS' strong order book.

Importantly, while the pandemic has affected our business, it has also created significant opportunities. We've seen unprecedented digital adoption by consumers and enterprises as a result of stay-at-home and work-from-home provisos. Having digitalised our operations and services in recent years, we've responded to this extraordinary shift online and increased demand for our services almost seamlessly. As such, we are well positioned to leverage this accelerated digitalisation to grow both our core and digital businesses. Given the prevailing uncertainties

however, we have strengthened our liquidity and have secured additional credit facilities as we work towards a post-COVID recovery and embark on our 5G rollout.

LEADING THE WAY IN 5G

5G is going mainstream around the world this year and we are excited to lead and shape 5G in Singapore, having won our licence that will bring 5G coverage to at least half the country by end-2022 and nationwide coverage by 2025. Our approach to 5G will be differentiated from 4G as we move beyond access and connectivity to create new enterprise use cases and innovative platforms, applications and services to reposition ourselves for growth in the converging ecosystem of tech and telco.

This multi-year capital commitment will be a significant investment in not just our company's future but that of the wider community. 5G will be transformative for industries and business models, unlock new careers and create sustainable economic and social value in the process. Optus in Australia continues expanding its 5G network having launched a full suite of 5G services in both mobile and broadband last November. Our associates are also advancing their 5G strategies and the Group will harness its scale to progress this next-generation technology across our footprint.

STRONG SHOWING BY ASSOCIATES

It's been a tough two years in India as the latest market entrant brought unprecedented disruption. The good news is this has resulted in consolidation into a three-operator market where Airtel is emerging a

key beneficiary as it regains market share. While we have recognised S\$1.6 billion as our share of Airtel's regulatory losses this year, we believe a recovery story is in the making, particularly as Airtel has successfully raised capital and strengthened its balance sheet and the country's push towards Digital India shows no signs of waning.

In Thailand, AIS delivered strong growth for the year but also managed to reinforce its network leadership with its recent 5G spectrum win. In the Philippines, Globe recorded double-digit growth in operating revenue and EBITDA on sustained data growth. Telkomsel continued to lead with its superior network and digital offerings although its performance was affected by lower voice and SMS revenues and greater competition outside Java. We continue to see immense potential in our associates' markets, driven by increased smartphone penetration and expanding digital economies.

HEEDING THE CALL TO SERVE

The pandemic and last year's bushfires in Australia have made it clear we play a special role in the community that requires us to support society during times of crisis. Each time a bushfire triggered outages to fixed line and mobile networks in Australia, our service staff worked long hours in difficult conditions to get our networks back up and running. Similarly, when COVID-19 rendered most of us homebound, our staff understood that people rely on us and much of the essential work we do cannot be done from home. I'm grateful that our call centre and retail staff, network engineers and technicians, and IT staff serving other essential services providers

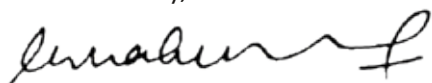
have been travelling to work daily to support our essential and critical functions. The public's trust in us has gone up due to our resilience and commitment to serve.

EMERGING STRONGER WITH OUR COMMUNITY

Besides raising S\$3 million for special education schools which have been the key beneficiaries of the Singtel Touching Lives Fund for some years now, we also rendered support to segments of our society impacted by COVID-19. By matching staff contributions dollar for dollar, we raised another S\$2 million in total, channelling this to 18 charities including the Courage Fund supporting healthcare workers and vulnerable groups. As many worked from home, we made digitalisation more accessible by granting free connectivity and collaboration software to SMEs in Singapore and Australia while providing free entertainment to the Singapore public. You have my commitment that we will continue to do our part to help.

I would like to thank all our staff for displaying such grace under pressure at this moment in time when the work we do is its most critical. I would also like to thank our Board for their guidance and our Management and Union for their dedication to navigating the ongoing crisis. It is my firm belief that we will emerge stronger with our community.

Yours sincerely,



CHUA SOCK KOONG
Group Chief Executive Officer

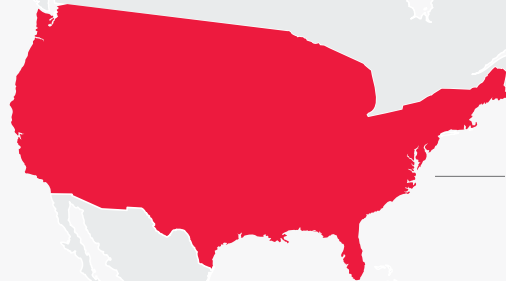
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Our approach to 5G will be differentiated from 4G as we move beyond access and connectivity to create new enterprise use cases and innovative platforms, applications and services to reposition ourselves for growth in the converging ecosystem of tech and telco.

”



Who We Are



UNITED STATES

AMOBEE  Trustwave®

Asia's leading communications technology group

Singtel is Asia's leading communications technology group, operating in one of the world's fastest growing and most dynamic regions. Together with Optus and our regional associates Airtel, AIS, Globe and Telkomsel, we have a presence in 21 countries. Besides core telecom services, we provide an extensive range of digital solutions. This includes cloud, cyber security and digital advertising to enterprises as well as entertainment and mobile financial services to millions of consumers. We are dedicated to continuous innovation, harnessing next-generation technologies to create new and exciting customer experiences as we shape a more sustainable, digital future.

THAILAND



23.3% of ordinary shares⁽¹⁾
41.2m mobile customers



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

PHILIPPINES



47.0% of ordinary shares⁽²⁾
89.3m mobile customers

INDONESIA



by Telkom Indonesia

35.0% effective interest
162.6m mobile customers

SINGAPORE



4.3m mobile customers
0.6m broadband customers



INDIA | SOUTH ASIA | AFRICA



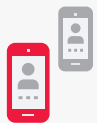
33.3% effective interest

Mobile Customers:
283.7m in India
2.9m in South Asia
110.6m in Africa

AUSTRALIA



10.4m mobile customers
1.1m broadband customers



Over
700m
mobile customers in
21
countries



52
enterprise offices in
18
countries globally



More than
65%
of underlying
net profit from
operations outside
of Singapore

Notes:

⁽¹⁾ Based on direct equity interest only.

⁽²⁾ Singtel has 21.5% interest in Globe's voting shares.

All figures at 31 March 2020 unless otherwise stated.

Our Businesses and Strategy

Enabling a digital future to connect our customers

VISION

To be Asia Pacific's best communications technology company.

MISSION

To deliver sustainable long-term growth and shareholder returns, and generate positive impact for stakeholders.

STRATEGIC PRIORITIES

DIFFERENTIATORS

BUSINESSES



Accelerating Digital Transformation



Customer Relationships



Digitalising Core Businesses



Network Leadership



Growing New Digital Services



Data Insights



Building a Regional Digital Ecosystem



Regional Reach



Championing Sustainability

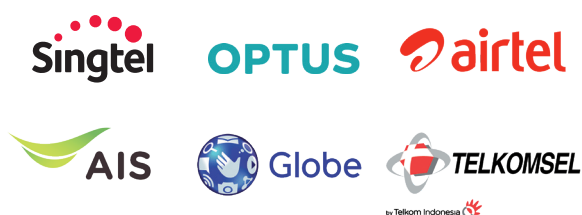


Digital Innovation

With 5G set to unleash the full potential of technologies like AI and IoT, we are positioning our business for new opportunities in this hyper-connected future. Anticipating this shift, we have rebuilt our business around data, digitalising our core business and innovating new digital capabilities. We are prioritising growth drivers such as cyber security, digital marketing and data analytics that leverage our existing assets and strengths in connectivity. We are also scaling our regional digital ecosystem to include mobile financial services and new forms of content to deepen engagement with the Group's more than 700 million mobile customers. Even as we reinvent ourselves, our strategy is grounded in our commitment to sustainability and digital inclusion.

STAKEHOLDERS

GROUP CONSUMER



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



Customers

Read more about Group Consumer from page 35 - 48.



Investors

GROUP ENTERPRISE



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



Communities

Read more about Group Enterprise from page 49 - 54.



Regulators and Governments

GROUP DIGITAL LIFE



Focuses on digital marketing and data analytics.



Employees

Read more about Group Digital Life from page 55 - 60.

The Value We Create

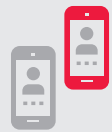
We are guided by our key stakeholder principles of serving our customers; ensuring our company's long-term viability for shareholders; looking after our people and supporting the broader community with our sustainability efforts and other initiatives. Our goal is to create value for all our stakeholders.

FOR OUR CUSTOMERS



Our regional associates now have

353m mobile data users, an increase of more than **10%** from a year ago.



Together with our associates, our capital expenditure was more than **S\$10b.**

173m

downloads of My Singtel and My Optus apps and our associates' apps have been made.





FOR OUR INVESTORS



We paid **S\$2.86b** in dividends and **S\$462m** in interest.

ACCOLADES

-  Ranked No.1 on the Singapore Governance and Transparency Index 2019 for the fifth year running.
-  SIAS Investors' Choice Awards 2019: Golden Circle Award for Most Transparent Company.

FOR OUR PEOPLE



We pledged

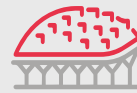
S\$45m

to boost the digital skills of our Singapore workforce over three years.

Some **800** employees in Singapore and Australia have completed skills conversion and taken on new roles.



FOR OUR COMMUNITIES



We contributed **S\$10m** to Esplanade toward the development of the Singtel Waterfront Theatre, which started construction in 2019.



We recycled **26,000kg** of electronic waste in FY 2020 in Singapore and Australia.



We were ranked one of the **Top 100** most sustainable corporations in the world by Corporate Knights.



We contributed over **S\$22m** to the community in Singapore and Australia.

Since 2016, we've invested over

S\$5m

in our Future Makers programmes and supported

76

start-ups to encourage social innovation.

Singtel
FUTURE MAKERS

Our Response to COVID-19

As a provider of critical telecoms and tech services, our role in keeping consumers and enterprises connected has taken on new importance in a time of safe distancing. Since the COVID-19 outbreak, we have moved quickly to protect the health of our staff and customers, while activating our business contingency plan to avoid disruption to our services. Our digitalisation efforts in recent years, to move our customers to digital channels and enable our employees to work remotely, have helped us adapt fast. Here is our response to COVID-19.

**21
JAN**

Singtel's Pandemic Control Committee convened for the first time and started to formulate and execute action plans. Meeting daily, the committee implemented precautionary measures across work premises in Singapore and issued safety advisories to guide staff. Optus followed suit a couple of days after.

**23
JAN**

Singapore reported its first imported case.

**28
JAN**

Social distancing, travel declarations and travel bans were implemented for all staff and strict visitor controls kicked in after the long Chinese New Year weekend.

**21
FEB**

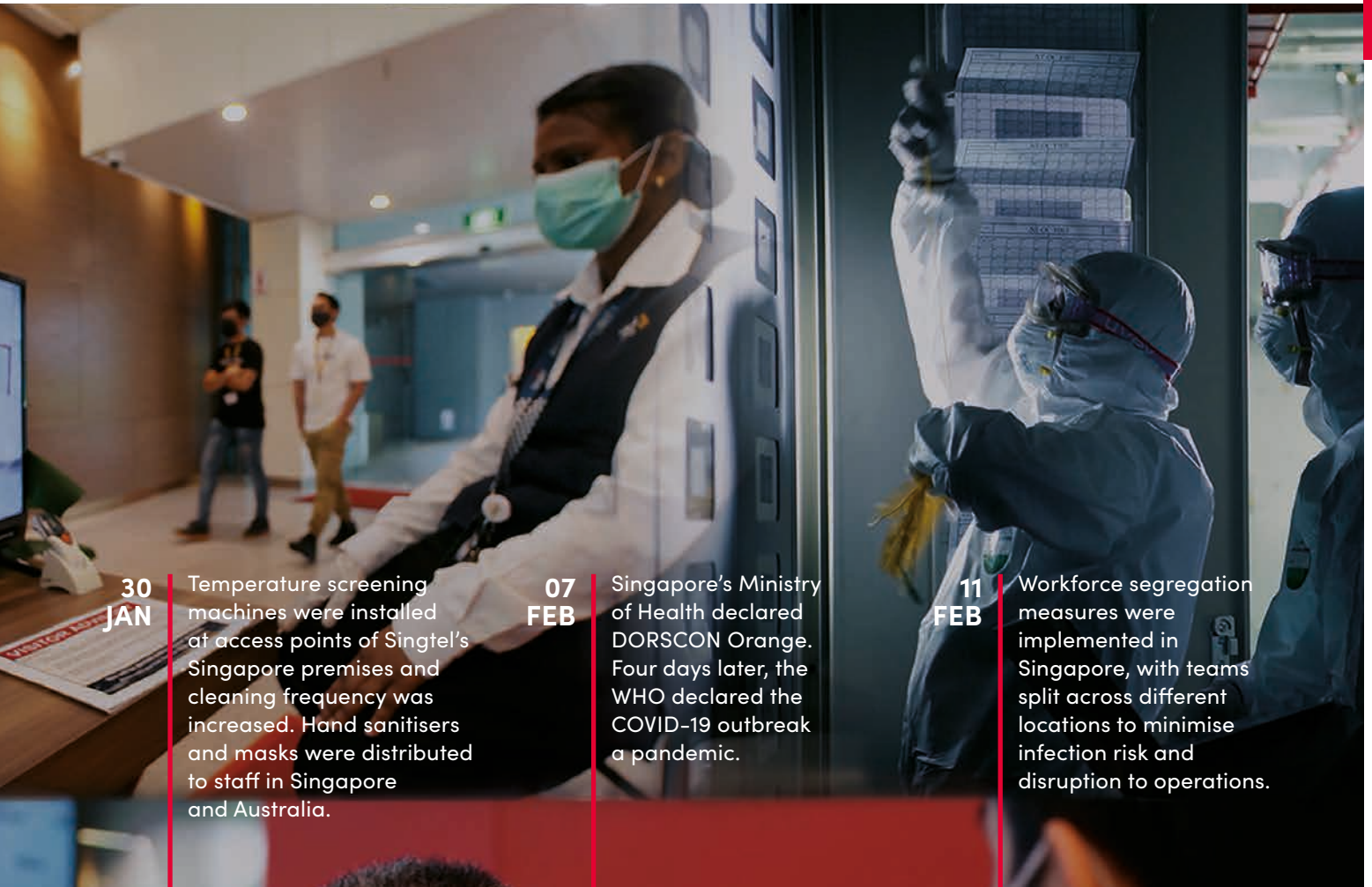
Regular drills were conducted across customer-facing and operational sites in Singapore and Australia to prepare staff for situations in which they've been exposed to suspected or confirmed COVID-19 cases at work.

**06
MAR**

The first Singtel staff tested positive for COVID-19 in Singapore. All staff working on the same floor were immediately asked to work from home and the office was thoroughly disinfected.

**WEEKS OF
09 and
16 MAR**

Contact centres in Malaysia and the Philippines were affected due to travel and movement restrictions in both countries. Accommodation was arranged for affected Optus contact centre staff in the Philippines as well as Singtel frontline staff who make daily commutes from Malaysia to Singapore.



**30
JAN**

Temperature screening machines were installed at access points of Singtel's Singapore premises and cleaning frequency was increased. Hand sanitisers and masks were distributed to staff in Singapore and Australia.

**07
FEB**

Singapore's Ministry of Health declared DORSCON Orange. Four days later, the WHO declared the COVID-19 outbreak a pandemic.

**11
FEB**

Workforce segregation measures were implemented in Singapore, with teams split across different locations to minimise infection risk and disruption to operations.

**16
MAR**

Optus implemented team segregation.

**25
MAR**

The first Optus staff tested positive for COVID-19. Substantive preventive and mitigation measures were taken.

**01
APR**

All Singtel and Optus non-essential staff started working from home. A week later, Singapore's circuit breaker measures started.

**02
JUN**

Singapore's circuit breaker period was lifted and some states in Australia began easing restrictions. Most Singtel and Optus staff continued to work from home. Site-bound staff were asked to adhere to strict social distancing measures.

Our Response to COVID-19

SUPPORTING CUSTOMERS AND COMMUNITIES

As a homegrown company, we want to stand together with the broader community and keep them supported during this difficult period. We hope our efforts, including providing a care package of free services such as entertainment and tech solutions, will provide some relief to vulnerable individuals, families and small businesses and tide them through these uncertain times.

#StayUnitedSG

**we
may be
a p a r t
but
we are in
this
together**

Who would have thought that it would all come to this. A world where staying away from each other has become necessary. It's a challenging time for us all. But it's also the time for us to stay united, now more than ever.

Over the past few weeks, Singtel has raised \$2 million to support vulnerable groups in the community and our courageous healthcare workers.

During this uncertain period, we will also do all we can to ensure your life remains as connected as ever, by rolling out a care package of complimentary services.

▶ Stay Home Entertained

Free access to 30 channels across 5 Singtel CAST packs for everyone in Singapore, and 30 channels on Singtel TV for Singtel TV customers. These include everything from news and lifestyle to entertainment.

📞 Stay in Touch

Data-free messaging on WhatsApp* for all Singtel mobile customers.

🛡️ Stay Protected

30-day COVID-19 insurance coverage for Singtel prepaid mobile customers who top up on your hi!App.

📺 Stay Open for Business Online

Free 6 months access to tools like Microsoft Teams for video conferencing and AWS Virtual Workspace for remote file-sharing, and free listings and shipping on 99SME.sg

Visit singtel.com/stay-united-singapore to find out more about Singtel's complete care package.

Our nation has overcome many challenges. With everyone's support, we will stand strong and get through this one too.

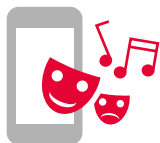
Because together, we can.



*Available till 7 July 2020. All other initiatives are available from 1 April to 30 June 2020 unless otherwise stated.

CONSUMERS & ENTERPRISES

Provided **95,000** hours of free entertainment, **data-free WhatsApp messaging** in Singapore and **boosted mobile data** in Australia.



Provided SMEs in Singapore and Australia **free use of business solutions** to enable working from home.



Offered fee waivers on Dash mobile remittance to **7** countries for new users and healthcare workers.



COMMUNITIES



Singtel's Management Committee joined the nationwide 'Sing Along Singapore!' initiative, and gave their best rendition of 'Home' to show appreciation for frontline health workers, volunteers and the migrant workforce.

Singtel Future Makers 2020 awarded three start-ups **S\$40,000** from a Special Pandemic Support Grant to support innovative solutions tackling COVID-19 social challenges.



Optus' Donate Your Data programme saw **200,000** customers contribute over **5m GB** of mobile data to underprivileged youth.



Donated **S\$2m** to **18** charities and social enterprises to help vulnerable groups and healthcare workers in Singapore.



Gave more than **1,000** students from low-income backgrounds in Singapore mobile data and laptops to support home-based learning.



WORKFORCE

Recruited over **500** people to fill customer service positions in Singapore and Australia.



Offered more than **800** traineeships under the Singapore government's SGUnited Traineeships programme.



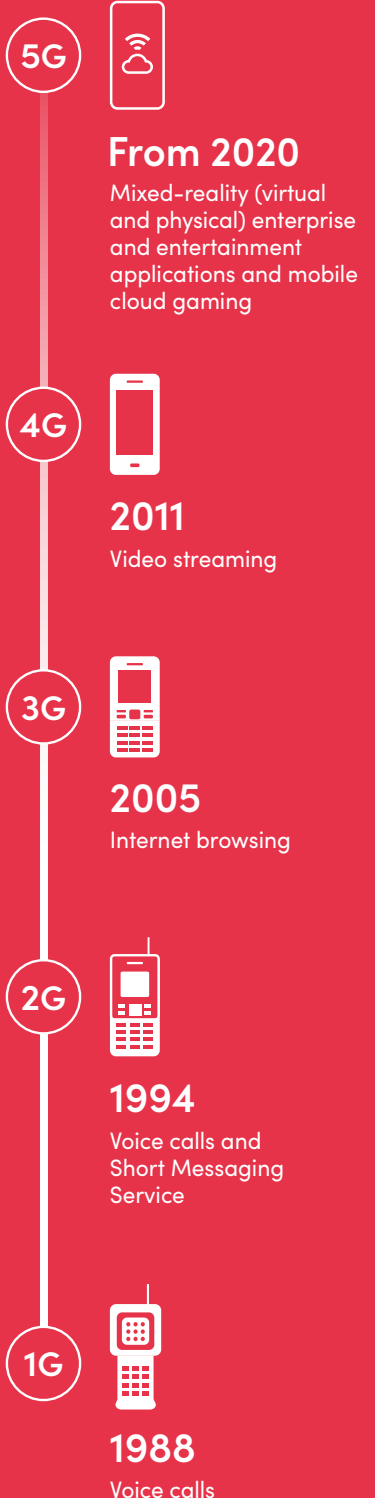
A 5G Future

Powering a world of new possibilities

5G is slated to be a game changer, promising to enable smart cities and ultimately, transform and improve life as we know it. In a post-COVID world of accelerated digitalisation, 5G with its ultra-fast speeds, reliability and low latency will connect almost everyone and everything, driving innovation at an unprecedented scale to unlock immense value for consumers and enterprises alike. This new 5G-enabled era will see advanced technologies and applications such as self-driving vehicles, immersive learning and robotic surgery become a reality.

At Singtel, we are gearing up for this 5G-powered world by building a 5G ecosystem with the requisite infrastructure and innovative capabilities, empowering enterprises to operate more creatively and efficiently and delivering exciting new experiences for consumers.

EVOLUTION OF MOBILE NETWORK TECHNOLOGY



GSMA highlights that 5G will be commercially available from 180 operators in 62 markets by end-2020. The Singtel Group embarked on our 5G rollout last year, starting with Optus in Australia. We plan to leverage the experience and scale of our Group to grow our 5G ecosystem and to lead and shape 5G.

TIMELINE

- JAN 2019** • Optus launched Australia's first 5G fixed wireless access network.
- JUN 2019** • Globe was the first mobile operator in Southeast Asia to commercially launch 5G for homes.
- NOV 2019** • Optus rolled out 5G in the home and on the go.
• Telkomsel expanded trials for 5G use cases in Indonesia.
- MAR 2020** • AIS became Thailand's first operator to launch 5G mobile services.
- APR 2020** • Singtel awarded provisional 5G licence in Singapore.
- JUN 2020** • Singtel awarded 5G licence; to roll out standalone network providing coverage to half of Singapore by end-2022 and nationwide by 2025.



(Second from left) Ernest Cu, Globe's President and CEO with senior Globe executives at the launch of Globe's Home Air Fibre 5G



Singtel's management with former IMDA Chief Executive Tan Kiat How at Singtel's Bringing 5G to Life showcase.

“

Our immediate priority is to roll out 5G to enhance the quality and flexibility of our mobile networks to fulfil the needs of early adopters. More importantly at Singtel, our focus is on integrating 5G with AI, cloud and data to deliver next-generation services that will fundamentally change the way companies work and consumers interact with the internet and smart objects.

”

ALLEN LEW
CEO, Group Strategy and Business Development

“

We'll deliver not only super fast mobile broadband speeds but also differentiated 5G capabilities that will allow businesses to accelerate their digital transformation and consumers to enjoy new digital services. We're developing new platforms built upon 5G's unprecedented flexibility, latency and scalability to fuel innovations in consumer experience, smart manufacturing, advanced automation and smart city solutions.

”

MARK CHONG
Group Chief Technology Officer

5G Applications



MARITIME OPERATIONS

Faster turnaround of container ships at ports with efficient autonomous cranes and container trailers.



GAMING

Hyper-realistic, seamless mobile cloud gaming experience using augmented or virtual reality headsets.



AUTONOMOUS VEHICLES

Better road safety with autonomous vehicles outfitted with safety sensors and the ability to communicate with other vehicles or devices.



MANUFACTURING AND LOGISTICS

Higher efficiency and fewer defects in smart factories using machine-learning robots and video cameras with edge computing capabilities.



HEALTHCARE

Surgeries performed remotely using surgical robotic arms and 3D virtual reality headsets to visualise patient anatomy.



ENERGY AND UTILITIES

Smart building facilities that power down when not in use for higher energy efficiency and smart meters that monitor real-time power consumption.



5G PERFORMANCE: THROUGHPUT AND NETWORK RESPONSE TIME*



NETWORK RESPONSE TIME:

20 - 40
milliseconds



10 - 20
milliseconds

⬆️ **2X faster network response time**

⬆️ **Up to 10X faster throughput speed**

Note:

* Results obtained from Singtel's early 5G network trials. Further latency reduction expected in future 5G releases.

Board of Directors



Simon Israel

- Non-executive and non-independent Director
- Chairman, Singtel Board
- Chairman, Finance and Investment Committee
- Member, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Member, Optus Advisory Committee
- Date of appointment: Director on 4 July 2003 and Chairman on 29 July 2011
- Last re-elected: 23 July 2019
- Number of directorships in listed companies (including Singtel): 2

Mr Simon Israel, 67, is the Chairman of Singapore Post Limited and a Director of Stewardship Asia Centre CLG Limited. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy, Leapfrog Investments Global Leadership Council and Westpac's Asia Advisory Board. Simon is a former Director of CapitaLand Limited, Fonterra Co-operative Group Limited and Stewardship Asia Centre Pte. Ltd.

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

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



Lee Theng Kiat

- Non-executive and non-independent Director
- Chairman-designate, Singtel Board
- Member, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Member, Finance and Investment Committee
- Member, Optus Advisory Committee
- Date of appointment: 15 January 2020
- Number of directorships in listed companies (including Singtel): 1

Mr Lee Theng Kiat, 67, is the Executive Director of Temasek Holdings (Private) Limited and the Chairman of Temasek International Pte. Ltd. (collectively Temasek).

Before joining Temasek, Theng Kiat was the President and Chief Executive Officer of Singapore Technologies Telemedia Pte Ltd and STT Communications Ltd. Prior to that, he held several senior level positions in the Singapore Technologies Group. Theng Kiat served in the Singapore Legal Service for over eight years before joining the Singapore Technologies Group.

Theng Kiat holds a Bachelor of Laws (Honours) from the National University of Singapore.

Board of Directors



Chua Sock Koong

- Executive and non-independent Director
- Member, Optus Advisory Committee
- Date of appointment: Director on 12 October 2006 and Group Chief Executive Officer (CEO) on 1 April 2007
- Last re-elected: 28 July 2017
- Number of directorships in listed companies (including Singtel): 2

Ms Chua Sock Koong, 62, 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, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also Deputy Chair of the GSMA Board. Sock Koong is the Deputy Chairman of the Public Service Commission and a member of Singapore's Council of Presidential Advisers and the Research, Innovation and Enterprise Council.

Sock Koong was awarded the Public Service Star at the Singapore National Day Awards 2019 and the Medal of Commendation (Gold) at the NTUC May Day Awards 2016. 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.



Gautam Banerjee

- Non-executive and independent Director
- Chairman, Audit Committee
- Member, Risk Committee
- Date of appointment: 1 March 2018
- Last re-elected: 24 July 2018
- Number of directorships in listed companies (including Singtel): 3

Mr Gautam Banerjee, 65, is Senior Managing Director of Blackstone Group and Chairman of Blackstone Singapore Pte Ltd. Gautam spent over 30 years with PricewaterhouseCoopers (PwC) and was a Senior Partner and Executive Chairman of PwC Singapore until he retired on 31 December 2012.

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

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



Venky Ganesan

- Non-executive and independent Director
- Chairman, Technology Advisory Panel
- Member, Finance and Investment Committee
- Date of appointment: 2 February 2015
- Last re-elected: 24 July 2018
- Number of directorships in listed companies (including Singtel): 1

Mr Venkataraman (Venky) Ganesan, 47, is one of the Managing Partners of Menlo Ventures, a 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. He is also a board member of Amobee, Inc., a subsidiary of Singtel.

Prior to joining Menlo Ventures, Venky was Managing Director at Globespan Capital Partners. Before Globespan, he was one of the founders of Trigo Technologies. He also worked at McKinsey & Company and Microsoft as a Program Manager. He is the former Chair of the National Venture Capital Association and a former Director of Avi Networks Inc, Palo Alto Networks Inc and Virident Systems.

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.



Bradley Horowitz

- Non-executive and independent Director
- Member, Finance and Investment Committee
- Member, Technology Advisory Panel
- Date of appointment: 26 December 2018
- Last re-elected: 23 July 2019
- Number of directorships in listed companies (including Singtel): 1

Mr Bradley Horowitz, 55, is Vice President of Product Management at Google, Inc. Over the past decade, Bradley has led product development for a wide array of consumer products at Google including Gmail, Google Drive & Docs, Blogger, Google Voice, Google News and Google Photos. Prior to joining Google, he was the Vice President of Advanced Development at Yahoo, Inc.

Bradley is an independent Director of Issuu, Inc. and Lyst Ltd. He is also a member of the Visiting Committee of Media Lab at the Massachusetts Institute of Technology.

Bradley holds a Bachelor in Computer Science from the University of Michigan and a Masters in Media Science from the Media Lab at the Massachusetts Institute of Technology.

Board of Directors



Gail Kelly

- Non-executive and independent Director
- Chairman, Executive Resource and Compensation Committee
- Chairman, Optus Advisory Committee
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Date of appointment: 26 December 2018
- Last re-elected: 23 July 2019
- Number of directorships in listed companies (including Singtel): 1

Mrs Gail Kelly, 64, is a Board Director of Australian Philanthropic Services. She is also a Senior Global Adviser to UBS and a member of the Group of Thirty, Bretton Woods Committee, McKinsey Advisory Council and PLuS Alliance Advisory Board.

Gail's executive banking career spanned 35 years. She was the Group CEO and Managing Director of two banks in Australia — St. George Bank from 2002 to 2007 and Westpac Banking Corporation from 2008 to 2015. She was previously a Director of Woolworths Holdings Limited in South Africa, Country Road Group, David Jones and the Business Council of Australia.

Gail holds a Bachelor of Arts and Higher Diploma of Education from the University of Cape Town and an MBA (with Distinction) from the University of the Witwatersrand. She has been awarded an Honorary Doctorate of Business by the University of New South Wales, Macquarie University and Charles Sturt University and an Honorary Doctorate of Science in Economics by the University of Sydney.



Low Check Kian

- Non-executive and Lead Independent Director
- Chairman, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Member, Finance and Investment Committee
- Date of appointment: Director on 9 May 2011 and Lead Independent Director on 21 July 2015
- Last re-elected: 28 July 2017
- Number of directorships in listed companies (including Singtel): 2

Mr Low Check Kian, 61, is a Director of Cluny Park Capital. He was previously one of the founding partners of NewSmith Capital Partners LLP (NewSmith), an independent partnership providing corporate finance advice and investment management services with its headquarters based in London. Prior to founding NewSmith, he was a Senior Vice President and member of the Executive Management Committee of Merrill Lynch & Co and its Chairman for the Asia Pacific region.

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

Check Kian holds a Bachelor of Science (First Class Honours) and Master of Science in Economics from the London School of Economics.



Christina Ong

- Non-executive and independent Director
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Member, Risk Committee
- Date of appointment: 7 April 2014
- Last re-elected: 23 July 2019
- Number of directorships in listed companies (including Singtel): 4

Mrs Christina Ong, 68, is Chairman and Senior Partner of Allen & Gledhill LLP as well as Co-Head of its Financial Services Department. She is a Director of Hongkong Land Holdings Limited, Oversea-Chinese Banking Corporation Limited, SIA Engineering Company Limited and Epimetheus Ltd. Christina is a member of the Catalist Advisory Panel and the Corporate Governance Advisory Committee, a trustee of The Stephen A. Schwarzman Scholars Trust and a member of the Supervisory Committee of the ABF Singapore Bond Index Fund. She also sits on the boards of companies and entities which are owned by Allen & Gledhill LLP.

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

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



Teo Swee Lian

- Non-executive and independent Director
- Chairman, Risk Committee
- Member, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Date of appointment: 13 April 2015
- Last re-elected: 24 July 2018
- Number of directorships in listed companies (including Singtel): 3

Ms Teo Swee Lian, 60, is the Chairman of CapitaLand Mall Trust, a Director of AIA Group Ltd, Avanda Investment Management Pte Ltd, Clifford Capital Holdings Pte. Ltd., Clifford Capital Pte. Ltd. and Dubai Financial Services Authority, a member of the Governing Board of the Duke-NUS Medical School and a council member of the Asian Bureau of Finance & Economic Research of NUS Business School.

Swee Lian was Special Advisor in the Managing Director's Office at the Monetary Authority of Singapore (MAS) until she stepped down in early June 2015. Prior to that, she was the Deputy Managing Director in charge of Financial Supervision at the MAS, where she oversaw macroeconomic surveillance, regulation and supervision of the banking, insurance and capital markets industries. She was also a member of the Corporate Governance Council formed by the MAS.

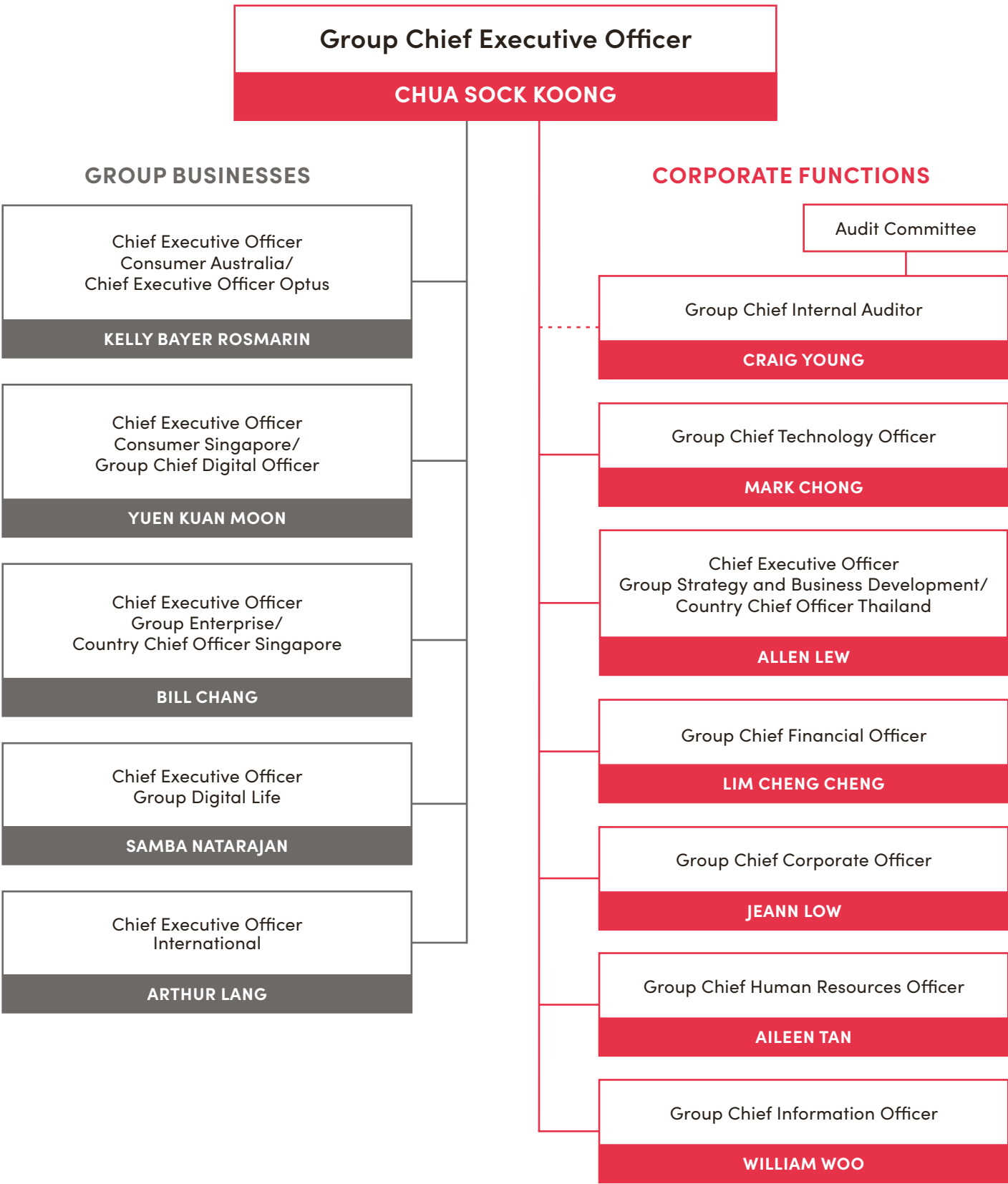
Swee Lian holds a Bachelor of Science (First Class Honours) in Mathematics from Imperial College, London University and a Master of Science in Applied Statistics from Oxford University.

Notes:

⁽¹⁾ Information as at 8 June 2020.

⁽²⁾ Mr Peter Mason AM and Mr Bobby Chin stepped down from the Singtel Board at the conclusion of the Annual General Meeting on 23 July 2019.

Organisation Structure



Management Committee



Chua Sock Koong

Ms Chua Sock Koong, 62, 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, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also Deputy Chair of the GSMA Board. Sock Koong is the Deputy Chairman of the Public Service Commission and a member of Singapore's Council of Presidential Advisers and the Research, Innovation and Enterprise Council.

Sock Koong was awarded the Public Service Star at the Singapore National Day Awards 2019 and the Medal of Commendation (Gold) at the NTUC May Day Awards 2016. 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.



Kelly Bayer Rosmarin

Ms Kelly Bayer Rosmarin, 44, was appointed as CEO for both Consumer Australia and Optus on 1 April 2020. She joined Optus on 1 March 2019, as Deputy CEO, and was named CEO-designate on 5 December 2019.

Prior to joining Optus, Kelly spent 14 years of service with Commonwealth Bank of Australia (CBA) where she held several senior positions and varied portfolios. Kelly's last appointment was the Group Executive of Institutional Banking and Markets at CBA. She also spent time as a management consultant, in an enterprise software company and at a venture-backed high-growth software start-up.

Kelly is recognised for leveraging technology, data and analytics to develop leading customer services and experience. Kelly was named in the Top 10 Businesswomen in Australia and the Top 25 Women in Asia Pacific Finance and holds a variety of board and advisory responsibilities.

Kelly holds a Bachelor's Degree in Industrial Engineering & Engineering Management and a Master of Science in Management Science & Industrial Engineering from Stanford University, USA.

Management Committee



Bill Chang



Mark Chong

Mr Bill Chang, 53, was appointed CEO, Group Enterprise on 16 July 2012. He leads the infocomm and technology (ICT) team, providing solutions to enterprise customers. He also assumed the role of Country Chief Officer Singapore on 1 October 2014, as principal liaison with local and regulatory bodies.

Bill joined Singtel in November 2005 as Executive Vice President of Corporate Business and subsequently as Managing Director, Business Group.

Bill is the Chairman of the Singapore Polytechnic Board of Governors and co-chaired the Future Jobs and Skills Sub-committee of the Committee on the Future Economy of Singapore. He is a member of the Australian Institute of Company Directors' International Advisory Technology Governance and Innovations Panel, and the board of the Urban Redevelopment Authority of Singapore.

Bill has won multiple recognitions including the Public Service Star in conjunction with National Day Honours, the Singapore Computer Society's IT Leader of the Year award in 2017, and the honorary Fellow of the Society in 2014.

Bill graduated with a Bachelor of Engineering (Honours) in Electrical and Computer Systems Engineering from Monash University, Australia and attended the Harvard Business School's Advanced Management Program.

Mr Mark Chong, 56, was appointed Group Chief Technology Officer on 1 April 2017. He leads the Group's technology strategy and innovations in the transformation of its networks and businesses across Singapore and Australia. Prior to his appointment, Mark was CEO, International from January 2013 to March 2017.

Mark joined Singtel in 1997 and has held various executive positions in the company including the roles of EVP (Networks) in Singapore and Chief Operating Officer of Advanced Info Service Public Company Limited (AIS), Singtel's associate in Thailand.

Mark has represented Singtel on the boards of public listed companies such as Globe Telecom, Bharti Infratel, CS Loxinfo PCL and other non-listed companies such as OpenNet. He is currently Chairman of Bridge Mobile Alliance and an Authority member of the Civil Aviation Authority of Singapore.

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



Arthur Lang

Mr Arthur Lang, 48, is CEO, International having joined Singtel in January 2017. His main responsibilities are to oversee the growth of the Group's regional associates across Africa, India, Indonesia, the Philippines and Thailand, strengthen their relationships with overseas partners, and drive regional initiatives, such as the regional mobile financial and gaming businesses, for scale and synergies.

Prior to joining Singtel, Arthur was Group Chief Financial Officer of CapitaLand Limited, where he also ran CapitaLand's real estate fund management business. Prior to CapitaLand, Arthur was at Morgan Stanley where he was Co-head of the Southeast Asia investment banking division and Chief Operating Officer of the Asia Pacific investment banking division.

Arthur is a board member of Airtel Africa, Globe Telecom, Bharti Infratel Limited, NetLink NBN Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times School Pocket Money Fund. He also sits on the Advisory Board of the Lee Kong Chian School of Business, SMU. In 2018, Arthur was awarded the Public Service Medal for his contributions.

Arthur has an MBA from Harvard Business School and a BA in Economics (magna cum laude) from Harvard University.



Allen Lew

Mr Allen Lew, 65, was appointed CEO, Group Strategy and Business Development and Country Chief Officer Thailand on 1 April 2020.

Prior to that, Allen was CEO for Consumer Australia and Optus where he led Optus to be the go-to operator in Australia for great connectivity, innovative services and exciting content. Before his posting to Australia, Allen was Country Chief Officer in Singapore and CEO, Group Digital Life.

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

Allen is a board member of AIS and Chairman of the AIS Executive Committee.

Allen 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.

Management Committee



Lim Cheng Cheng



Jeann Low

Ms Lim Cheng Cheng, 48, is Group Chief Financial Officer. She is responsible for Singtel Group's finance-related functions including tax, treasury and investor relations.

Cheng Cheng has over 25 years of experience in finance and mergers and acquisitions. She joined Singtel in 2012 as Vice President, Group Strategic Investment and was appointed Deputy Group Chief Financial Officer on 1 October 2014 and Group Chief Financial Officer on 10 April 2015.

Before joining Singtel, Cheng Cheng was Executive Vice President and Chief Financial Officer at SMRT Corporation. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last being Head and Vice President (Financial Planning and Analysis).

Cheng Cheng is a non-executive, non-independent Director at SingPost and was the winner of the Best CFO (Big Cap) title at the 2018 Singapore Corporate Awards.

Cheng Cheng holds an MBA from the University of Chicago Booth School of Business and a Bachelor of Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

Ms Jeann Low, 59, was appointed Group Chief Corporate Officer on 10 April 2015. She is responsible for the Group's corporate functions including mergers and acquisitions, corporate communications, legal, regulatory, risk management and procurement.

Prior to this role, she was Group Chief Financial Officer for seven years. Jeann joined Singtel on 12 October 1998 as Group Financial Controller and has held several management roles including Executive Vice President of Strategic Investments and CFO of Optus.

Jeann is a board member of the Governing Board of the Lee Kong Chian School of Medicine. She is also a Director of Advanced Info Service Public Company Limited (AIS) and Intouch Holdings Public Company Limited.

Jeann holds an Honours Degree in Accountancy from the National University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.



Samba Natarajan

Mr Samba Natarajan, 54, is CEO, Group Digital Life. He joined Singtel in May 2014 as Managing Director of Digital Enterprise, leading a team focused on identifying and executing on growth opportunities from emerging technology trends.

Samba has more than 25 years of corporate and consulting experience across a wide range of senior roles in the areas of strategy, business development and finance. He worked for Citibank from 1988 to 1997 and McKinsey & Company from 1999 to 2014. In his last role at McKinsey, he was the Leader of Southeast Asia Technology, Media & Telecommunications practice.

Samba serves on the Board of Directors of Globe Telecom in the Philippines. He is also a member of the board of the Singapore American School. Samba holds a Bachelor of Engineering degree in Electrical Engineering with distinction from the Birla Institute of Technology and Science in Pilani, India; a Post Graduate Diploma in Management from the Indian Institute of Management in Ahmedabad, India, and an MBA from the Wharton School, University of Pennsylvania, USA where he was a Ford Fellow and a Palmer Scholar.



Aileen Tan

Ms Aileen Tan, 53, Group Chief HR Officer, is responsible for Singtel Group's human resources development and leads its corporate sustainability function.

Aileen joined Singtel in June 2008 as Group Director, HR. Prior to that, she was Group General Manager, HR at WBL Corporation Limited and VP, Centres of Excellence with Abacus International Pte Ltd.

She co-chairs the Ministry of Manpower's (MOM) HR Industry Transformation Advisory Panel and is a member of Ministry of Education's Institute for Adult Learning Council, Ministry of Finance's VITAL's Advisory Panel and MOM's Workplace Safety & Health Council. She is also a member of the Institute for Human Resource Professionals (IHRP) Board, Singapore University of Social Sciences Board of Trustees, Home Nursing Foundation Board and Health Sciences Authority Board.

Aileen graduated with a Bachelor of Arts from the National University of Singapore. She holds a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, US. She is a pioneer IHRP Master Professional, conferred by the IHRP for being a role model for the HR profession. She received the Public Service Medal in 2018 for significant contributions to Singapore's human resources sectors.

Management Committee



William Woo



Yuen Kuan Moon

Mr William Woo, 56, was appointed Group Chief Information Officer from 1 August 2017. William was the Managing Director of Enterprise Data and Managed Services and Managing Director of Cyber Security at Group Enterprise.

He joined Singtel in May 2011 from Xchanging PLC, where he was Managing Director for the Southeast Asia region. Prior to that, William spent 20 years at EDS and had held various senior management roles which included Managing Director of Southeast Asia & India and Vice President, Global Service Delivery of Asia, responsible for leading the Information Technology Outsourcing, Business Process Outsourcing and Applications service delivery across the Asia region. He started his career with the National Computer Board.

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

Mr Yuen Kuan Moon, 53, was appointed CEO, Consumer Singapore in June 2012. He leads the Singapore consumer business to deliver an integrated suite of mobile, broadband and TV services. Moon is concurrently responsible for driving the Group's digital transformation as Group Chief Digital Officer, a role that was created in 2018 to unlock digital growth opportunities in an era of disruption. Moon has served on the Board of Commissioners in Telkomsel since 2009.

Since joining Singtel in 1993, Moon has held several leadership roles in Marketing, Business Development and Sales, including VP of Regional Operations and EVP of Digital Consumer. In 2003, Moon was posted to Telkomsel as General Manager for Product Development and appointed Director of Commerce from 2005 to 2007.

Moon was appointed to the Board of SkillsFuture Singapore in 2016, the Board of Advisors of the Institute of Service Excellence at SMU and the Digital Readiness Council Steering Committee in 2018 and the SIM Governing Council in 2019.

Moon holds a First Class Honours degree in Engineering from the University of Western Australia and a Master of Science in Management from Stanford University.

Senior Management



Hui Weng Cheong
President & Chief Operating Officer
AIS



Murray King
Chief Financial Officer
Optus



Lim Seng Kong
Managing Director
Singtel Enterprise Business,
Group Enterprise



Chris Mitchell
Managing Director
Optus Business, Group Enterprise



Ng Kuo Pin
Chief Executive Officer
NCS, Group Enterprise



Arthur Wong
Chief Executive Officer
Global Cyber Security, Group Enterprise

Group
Consumer

DEEPENING DIGITAL ENGAGEMENT WITH CONSUMERS

With consumers increasingly relying on their devices, we are enhancing their digital lifestyles with a range of services from content to mobile financial solutions supported by ever faster connections. Technological advancements like 5G will produce new breakthroughs and innovations that will revolutionise how we engage customers and the digital experiences that we create for them.





UNBOXED
by Singtel

MERRY CHRISTMAS
& HAPPY HOLIDAYS

ACCESSORIES

VIDEO-ASSISTED
SELF-SERVE
KIOSK

Group Consumer Singapore

Singtel is focused on extending our lead in customer experience, harnessing technology to deliver innovative products and services and smarter conveniences underpinned by an exceptional network. With more consumers going digital, we continue to invest in the solutions needed to make it easier for them to get the most out of the digital world.

DRIVING DIGITAL CUSTOMER ENGAGEMENT



Our all-digital mobile product GOMO added

80,000

customers in just one year.

More than

70%

of our customers go digital for customer service transactions.

KEEPING IN STEP WITH CUSTOMERS' LIFESTYLE NEEDS



Wellness platform Singtel StepUp attracted over

300,000

customers who walk an average

8,000

steps a day.

ENTERTAINING SINGAPORE AMID COVID-19



Singtel CAST app users grew more than

2x and viewership **3x**.

DELIGHTING CUSTOMERS WITH DIGITAL LIFESTYLE SERVICES

We continue to expand the range of digital services and benefits to complement customers' lifestyles and provide a differentiated experience. To connect with our millennial customers on GOMO, our all-digital mobile product that comes with generous data allowances, we introduced GOMO Pass, which

offers dining, shopping and activity deals and rewards in Singapore and the region.

We made our first foray into the insurance market, partnering Income to introduce Singapore's first prepaid data plan that comes with free personal insurance cover. As many of our prepaid customers are sole breadwinners, this plan gives

them an easy and cost-effective way to protect themselves and their loved ones.

In addition, we broke new ground with the launch of the wellness platform, Singtel StepUp, on My Singtel app. StepUp lets postpaid mobile customers earn local mobile data and redeem fitness products and shopping vouchers with every

step they take. It has proven highly popular with more than 300,000 customers signing up and clocking over 157 billion steps since the launch.

CONNECTING CUSTOMERS TO QUALITY CONTENT

We have pulled ahead as Singapore's number one pay-TV provider, with customers responding positively to quality content offerings including Hong Kong's TVB Jade and TVB Xing He channels at home and on the go. As more customers turn to streaming content, Singtel CAST added seven specially curated packs to its line-up and doubled its customer base in just a year.

With people having to stay in as a result of the prolonged COVID-19 situation, we offered free access to 95,000 hours of shows for three months, as part of a care package to bring some relief and entertainment to not only our customers but everyone in Singapore while they stay safe at home.

DELIVERING A NEXT-GENERATION SHOPPING AND CUSTOMER EXPERIENCE

We are also simplifying the

purchase journey, with more options for customers to interact with us and switch seamlessly between online and offline touch points.

We have seen some of our digital platforms take off in the past year as many customers embrace our chatbot Shirley and My Singtel app to interact with us. Over 1 million customers use My Singtel app while 34% of them prefer to make purchases online.

Our digitalisation efforts extend to shaping the future of retail to deliver added convenience and a next-generation experience to customers. Last year, we launched UNBOXED by Singtel, Singapore's first unmanned 24/7 pop-up store where customers can sign up for services, instantly replace SIM cards, purchase prepaid cards, collect devices and more.

We continue to enhance the UNBOXED experience, upping the ante in retail innovation by powering the store with 5G connectivity. With 5G's low latency and high speeds, UNBOXED can now be easily relocated anywhere on the

island without the need to lay fibre network cables, and serve customers with faster and more seamless transactions.

ADVANCING OUR 5G JOURNEY

To ensure our customers keep enjoying high-quality and reliable connections, we continue to invest in our network to enhance our network superiority. Our efforts have been recognised by leading crowd-sourced benchmarking sites which ranked Singtel as Singapore's fastest and widest mobile network.

We are developing new capabilities in advanced technologies such as network slicing, which enables the optimised use of different applications on the same network infrastructure. This will pave the way for new consumer use cases that we are exploring and co-developing in anticipation of the arrival of 5G. Together with IMDA and Razer, we launched the nation's first 5G cloud gaming trial, focusing on developing 5G connectivity to support immersive gaming on mobile devices.



Group Consumer Australia

Optus connects more than 10 million customers via our premium mobile and fixed network, with strong customer value propositions and our commitment to exceptional service. With our offers for 5G both in the home and on the go, Optus is rolling out 5G at a time when it is more important than ever for our customers to stay connected.

PREMIUM SPORTS CONTENT



Optus Sport connects over

820,000

customers to Premier League and international football content.

LEADING IN 5G



More than

800

5G sites in major Australian cities.

INCREASED DIGITAL ENGAGEMENT



Downloads for My Optus app increased

15%

from a year ago.

STRONG NATIONWIDE NETWORK



Optus currently has more than

8,100

network sites across Australia.

ADJUSTING TO THE NEW NORMAL

In response to COVID-19, the Australian Government asked people to stay home, which meant customers were relying on our network more than ever to work, learn, entertain themselves and even socialise. Our network responded well, and customers are benefitting from our strong, nationwide coverage.

Optus Sport's exclusive live coverage of the 2019/2020 Premier League, UEFA Champions League and Women's World Cup has continued to delight viewers and fuelled record audience numbers for Optus Sport. The gripping action kept our 820,000 subscribers happy and engaged during this period.

We have shown our strong commitment to Australia and our customers and colleagues as the impacts are felt around the world. Optus led the market in offering customers free bonus data and waiving frontline healthcare workers' postpaid mobile access fees for three months to demonstrate our appreciation. We also put in place several measures to assist customers and businesses facing hardship.

Global restrictions on travel and people movement have impacted our call centre capacity. We quickly retrained our store colleagues, as well as hired new people from businesses in affected industries like travel, in Australia, and have been

encouraging customers to utilise our digital channels, including messaging, so they can find the answers they need quickly.

CREATING THE CUSTOMER-CENTRIC 5G NETWORK OF THE FUTURE

We are focused on ensuring our customers receive reliable excellent connectivity experiences at home as well as on the go, and this underpins our continued investment in the rollout of capacity in our 4G and 5G networks.

Over 220,000 Australian households have access to the benefits of 5G Home Internet. Our service provides very fast broadband access, with

Premier League

**Live Premier League.
Now only on Optus Sport.**

Free access on selected Optus plans
or \$14.99/mth.

OPTUS SPORT

Personal viewing in AU. Streaming quality dependant on device, service provider & internet speed. Data charges may apply. More details at sport.optus.com.au

a minimum 50Mbps guaranteed speed, although most customers are experiencing average speeds of around 150Mbps. We have received very positive feedback on the easy installation and excellent performance from Optus 5G Home customers.

We are also stocking select 5G handsets and will continue to offer additional 5G handsets as technology partners launch them, so our customers can enjoy 5G Mobile as well.

DELIVERING SPECIALISED, PERSONALISED SERVICE AND PRODUCTS

In response to customer feedback, Optus launched our unique NBN Concierge Service to support customers transitioning to the National Broadband Network (NBN). As part of this service, each

customer is personally assigned a dedicated Home Connection Expert as their primary point of contact during installation to ensure a seamless connection experience. This eases what has proven, in the past, to be a frustrating NBN transition process for Australian consumers.

We have also provided our customers with more control through additional digital features and options, like the Optus Assistant. This feature delivers personalised answers to questions regarding billing and re-contracting, anytime a customer wants it, without having to queue in-store.

Even our new mobile phone plans, Optus Choice and Optus One, provide customers with the ability to tailor their plans. Optus Choice allows customers to choose the device they want or bring their own,

select the data that they need, and add the features — like roaming and international calls — all in the way that best suits them. Optus One is for those customers who simply want the best of everything: one-to-one service, dedicated support, network priority and a massive 500GB of data.

Group Consumer

THE CEO CONVERSATION

Keeping a pulse on what customers want

The digital revolution is rapidly transforming the business environment and raising customers' demands. We ask Consumer Singapore CEO Yuen Kuan Moon and Optus CEO Kelly Bayer Rosmarin to share how Singtel and Optus are keeping pace and reinventing the customer experience.

How have consumer needs been evolving and how have Singtel and Optus responded to these changes?

Moon: Today's consumers have become much savvier and more discerning, looking beyond price to engage with companies that understand their needs, particularly their digital lifestyles. Whether it's running daily errands or leisure pursuits, consumers are seeking experiences that are simpler, more effortless and customised to their needs. Our digital services and benefits are evolving to appeal to all customer segments. Last year, we introduced a wellness platform, StepUp, which has been an overwhelming success with customers young and old. In the six months since its launch, over 300,000 have signed up to earn free mobile data and enjoy lifestyle products and services rewards. Having created this positive digital engagement, we intend to build on this momentum to deliver more of such services on My Singtel and GOMO mobile apps.

As competition ramps up, we believe it is more important than ever to stay ahead by focusing on delivering the best value, exceptional service and a high-quality network for our customers.

Kelly: Customers, more than ever, expect seamless experiences and want choice and transparency. These expectations are increasingly raised by best-in-class digital providers across multiple industries.

We have been responding by simplifying our experiences, digitalising as many interactions as possible, and introducing new plans that provide options for customers to choose their own features and price points. We have

also rolled out a 'signature' concierge service for our customers moving to Optus NBN in their homes, transforming a challenging process into one that is positive, reliable and has increased customer satisfaction.

Singtel and Optus have spoken about going big on digital. How has the progress been?

Moon: We have made big strides in shifting customer engagement to our digital platforms. Over 70% of our customers prefer the immediacy of interacting with us through our self-help channels such as our 24/7 web and WhatsApp digital chats. We will continue to make further investments, not just in more digital channels, but also in technology such as analytics, AI and machine learning. This will help us understand our customers better so we can provide more intuitive and personalised interactions.

We've also harnessed digital to capture more of the millennial market. Our all-digital mobile product GOMO has seen more than 80,000 customer sign-ups and registered an exceptional Net Promoter Score, which measures customer advocacy, in just one year. GOMO's success has been repeated in Indonesia with our regional associate Telkomsel's launch of sister brand, by.U.

Kelly: We continually develop the My Optus app to ensure most of what our customers need can be accessed on the spot, including sending us messages if help is required. The app is rated 4.6 stars in the App Store and our aspiration is to drive it even higher. We are also using automation to deliver a more personalised, satisfying service. Our Robotics Operations Centre drives excellence across our automation initiatives, operating more than

100 bots that make up our 'digital workforce'. They help us with routine queries, allowing our employees to provide swifter service for more complicated customer requests. AI and automation are also helping us optimise our network design, improve our supply chain, find the best new talent and decrease the time it takes for new customers to join the Optus network.

Now that the 5G era has arrived, tell us what customers can look forward to and how you see your business transforming.

Moon: Singapore is in an ideal position to roll out 5G with robust infrastructure and backhaul fibre connectivity to support the deployment of coverage. We are pleased to be awarded with a 5G licence from IMDA that will see the rollout of nationwide 5G coverage in Singapore by 2025.

I have seen first-hand, the transitions from 2G to 3G to 4G during my time at Singtel and each change has been a catalyst for innovation. I'm excited that Singtel has the opportunity to take the lead in unlocking exciting experiences that will bring 5G to life, in areas such as learning, entertainment, gaming and healthcare.

We are already exploring and co-developing use cases to identify new 5G consumer innovations that can enhance customers' experiences and deliver new and exciting products and services. For instance, we are working with IMDA and Razer on a trial to optimise 5G connectivity for graphics-intensive mobile gaming on the go.

Kelly: 5G will transform the way we live, learn, consume entertainment, communicate and conduct business. We are bringing this to life for our customers today through our 5G home product which is available to 220,000 Australian households. Customers using this 5G service as an alternative to fixed home internet are experiencing fantastic speeds. We also offer 5G Mobile and a wide range of 5G phones.

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With the pandemic accelerating digital adoption, our key priority is to focus on delivering new services and experiences in anticipation of customers' evolved expectations and demands. At the same time, we continue to invest in our networks so it can handle the huge volume of video and data traffic that customers are increasingly consuming.

YUEN KUAN MOON
CEO, Consumer Singapore

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Group Consumer

THE CEO CONVERSATION

We are creating a 5G virtualised network that detects and adapts to how it is being used, and we will be working to tailor features for our customers to choose, delivering the ultimate, curated experience for customers, businesses and whole communities.

What impact has the COVID-19 pandemic had on Singtel and Optus?

Moon: We empathise with our customers, businesses and the community and recognise the challenges they are facing during this trying period. Even amid a time of social distancing, our frontline staff and those in critical functions are still on the ground ensuring that our customers are well supported with robust connectivity.

We also put together a care package to hopefully bring some cheer and relief to the community. This includes free access to entertainment for everyone in Singapore and free COVID-19 insurance coverage for our prepaid customers. We also supported disadvantaged students, sponsoring SIMs and WiFi dongles to assist in home-based learning. As a tech company, it's our duty to ensure no one gets left behind in the digital era.

This period has triggered a change in consumer behaviour, driving digitalisation across all ages and groups. Customers are relying more on digital technologies to keep in touch, and we've seen a growth in broadband and mobile usage and network traffic. Our digitalisation efforts and investments have helped us respond to increased digital adoption and manage the surge in data traffic, putting us in good stead for a post-COVID world where these trends continue.

Kelly: Our hearts go out to all the people, businesses and communities that have been affected. The entire Optus team is dedicated to ensuring our network is strong, so we keep all our customers connected. We have introduced a number of initiatives including offering bonus data to our customers, providing support for customers facing challenging times, waiving postpaid mobile access fees for three months to thank healthcare

workers on the front lines, offering hibernation of accounts for affected small businesses, and access to our Loop Live collaboration solutions for our business customers. We are also playing our role to keep people positive with a campaign encouraging our communities to reach out daily to friends, relatives, older people and ask how they're doing and share some optimism.

Optus and our charity partners also launched 'Donate Your Data' which empowers customers to support young people from disadvantaged backgrounds who may not have access to connectivity. In the five months since the launch, more than 200,000 customers have donated 5 million GB of mobile data.

Financially, there will be implications as the economic conditions and global lockdowns affect our customers and people, but we are stepping up to the challenge and managing the business to do the right thing for the long haul.

What are your priorities for the year ahead?

Moon: With the pandemic accelerating digital adoption, our key priority is to focus on delivering new services and experiences in anticipation of customers' evolved expectations and demands. At the same time, we continue to invest in our networks so it can handle the huge volume of video and data traffic that customers are increasingly consuming.

We will deepen our digitalisation efforts in product and service innovation, process optimisation, as well as expand on our range of digital services. With the success of our StepUp wellness platform, we are embarking on more strategic partnerships with lifestyle players to bring fresh experiences that will enhance our customers' digital lifestyles.

Retail innovations have proven just as popular with our customers. Our 24/7 unmanned pop-up store, UNBOXED, performed very well in the one year since its launch. It has attracted more than 50,000 customers to date, delivering

a customer experience score of 96%. With the greater need for social distancing, the contactless shopping experience offered by UNBOXED is especially relevant, and we are looking to expand this concept in the coming year.

Kelly: Our priorities are clear – keep Australia connected and ensure our teams and our network, are strong and operating at the highest possible level. We have launched a new strategy to help us become Australia’s most loved everyday brand with lasting customer relationships, which will require our teams to work together to ensure we focus on reimagining our customer journeys, digitalising and simplifying our processes and continuing to invest in our capabilities. For example, we’ve launched our new Choice Plans offering customers the ability to tailor plans to their needs and budgets, and our My Optus app remains the leading rated telco app in the App Store.

It will be a challenging year. However, we have strong business fundamentals in place and provide our customers and communities with an essential service that is more important now than ever.

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Our hearts go out to all the people, businesses and communities that have been affected. The entire Optus team is dedicated to ensuring our network is strong, so we keep all our customers connected.

KELLY BAYER ROSMARIN
CEO, Optus

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Group Consumer Regional Associates

Our regional associates are striving to set new standards of innovation and service and investing in 5G to deliver better digital experiences for mobile-first customers in their markets. As a Group, we are drawing on our collective expertise and 700 million-strong customer base to grow our regional digital ecosystem in mobile financial services, gaming and digital content.

GROWING THE GROUP'S MOBILE WALLETS



Singtel, Airtel Africa and India, AIS, Globe and Telkomsel's mobile wallets have a combined total of

119m users.

CONNECTING WITH GEN Z'S AND MILLENNIALS THROUGH ESPORTS



PVP corporate and campus leagues attracted

2,000

participating gamers from across Southeast Asia and

1.4m

online views in 2019.

FORGING AHEAD WITH NEXT-GENERATION NETWORKS

As we transition to a 5G future, our associates continue to strengthen their core business offerings and maintain their positions as some of the leading telcos in their respective markets, with a collective S\$8 billion invested in network capabilities to ensure faster, seamless connections for our growing customer base.

Our associates have made significant progress in 5G deployment. With Globe's launch of Globe at Home Air Fibre 5G plans, the Philippines became the first Southeast Asian country to experience commercial 5G fixed wireless broadband, allowing customers to enjoy speeds rivalling those offered by fibre.

AIS acquired 5G spectrum in February 2020 and became the first operator

in Thailand to launch 5G. It is focused on research and development, testing and trialling 5G use cases with its partners to develop commercial use cases in both the consumer and enterprise segments. In Indonesia, Telkomsel successfully conducted 5G trials in Batam and deployed an additional 24,000 base transceiver stations. Its LTE network now reaches 95% of the population, ensuring 4G penetration continues to increase.

ENGAGING YOUNG, DIGITAL-FIRST CUSTOMERS

Over a third of our 700 million customers are young and digitally savvy and we continue to engage them with innovative digital products and services. Telkomsel launched its first digital prepaid mobile service by.U, giving Gen Zs the flexibility of customising services directly, while Airtel relaunched #AirtelThanks,

its flagship customer programme delivering tailored content, lifestyle rewards and experiences.

Our associates collaborate with leading brands across e-commerce, entertainment and games on exclusive digital content and service bundles for customers. AIS engages youth who are heavy data users with their ZEED Prepaid SIM, partnering Facebook Gaming and YouTube to provide unlimited data. Globe and Telkomsel deliver a growing line-up of content offerings through their GoSurf prepaid plans and MAXstream streaming packages respectively and Airtel's Amazon partnership offers free subscriptions to Prime bundled with voice, data and SMS.

Singtel also serves the passions of young gamers through PVP Esports, which has firmly entrenched itself

as a force for gaming in the region. In 2019, PVP Esports' social content reached over 21.8 million across Southeast Asia, and as the official esports presenter of Singapore Comic Con, PVP Esports attracted 50,000 visitors to its community league finals. Building on this success, the 2020 edition has been scaled up to two editions with more game titles.

We also announced a regional joint venture with AIS and South Korean gaming giant SK Telecom to reinforce our presence in gaming by developing new gaming-related revenue streams with partners' gaming and entertainment content offerings.

ENHANCING MOBILE FINANCIAL SERVICES

As lifestyles become increasingly digital, we have enhanced our mobile financial offerings to become a meaningful part of customers' lives,

providing added convenience and driving financial inclusion.

In Singapore, our mobile wallet Dash has evolved beyond enabling payments for everyday activities like shopping and public transit, to providing lifestyle services like restaurant reservations and travel insurance.

Dash has enabled customers to stay safe and stay home during COVID-19. Customers have been able to make payments for their online purchases with the Dash Visa Virtual Account and remit money to their loved ones in any of the seven countries served by Dash including Malaysia, the latest addition to its network. This led to a 70% spike in remittance and more than double the number of new remittance customers in April compared to February. Dash also supported remittance customers with

complimentary COVID-19 insurance, in partnership with Income.

Regionally, we saw the successful launch of LinkAja!, a merger of Telkomsel's e-wallet service with those of other state-owned banks. Airtel Africa partnered leading financial institutions like Finabl and Mastercard to improve access to financial services. We have also strengthened our cross-border mobile payment alliance VIA, expanding to welcome new partners and reach new markets.

Together with Grab, we are taking a further step in mobile financial services with a joint application for a digital full bank licence in Singapore. We aim to create a differentiated banking experience to cater to the underserved needs of both consumers and enterprises.



Group Consumer

THE CEO CONVERSATION

Forging ahead in mobile financial services and digital entertainment

As consumers embrace increasingly digital lifestyles in the region, customer expectations have evolved. International Group CEO Arthur Lang talks about the Group's focus on technology, content and innovation, and strategic partnerships to gain a stronger competitive edge.

Singtel's regional associates continue to face intense competition amid other challenges. Where are the bright spots?

Arthur: 2019 was a bumpy year but our associates held their ground in a highly competitive landscape. Airtel in particular gained market share and recorded four straight quarters of growth in its mobile business. The industry-wide price recovery is encouraging and points to a possible market turnaround. Despite the unexpected regulatory decisions in India, we believe Airtel is in a good position to ride the upturn, with a stronger balance sheet from over US\$7 billion in fresh funds raised last year, a healthier industry structure and the positive trajectory of its mobile business.

Airtel Africa also saw positive momentum which topped off a strong year with two milestone achievements: crossing the 100 million subscriber mark and a successful dual listing. AIS, Globe and Telkomsel delivered solid growth numbers across service and data revenue year-on-year.

Our associates have been focused on strengthening their core business offerings and positioning for future growth. They collectively invested over S\$8 billion in network improvements to ensure faster, seamless connections for our growing customer base. Last year, Globe became the first operator in Southeast Asia to launch 5G fixed wireless home broadband while AIS also achieved a first in Thailand when it launched 5G in March 2020.

These investments in networks and digital innovation are even more important now that many of us are adapting to a new way of life due to COVID-19. The speed of digital adoption since the outbreak has solidified our role in helping consumers and businesses stay connected. We've been supporting customers with the digital services and connectivity crucial to their day-to-day tasks such as data top-ups, mobile remittances and collaboration tools to make working from home easier.

We're committed to working closely with our associates to grow their digital and enterprise businesses, leveraging their leading market positions as well as the Group's scale and operating experience.

It has been an eventful year for Dash and VIA with new offerings and partnerships. What can we expect to see next?

Arthur: It's exciting to see Dash grow from strength to strength and reach over a million registered users. Our goal is for Dash to become an integral part of our customers' lives, whether it's paying for hawker food or commuting, remitting money or insurance. We're planning to expand Dash's offerings to include more services in insurance and cash management.

We will continue to grow VIA, our cross-border mobile payment alliance. In this digital economy, scale is really what counts, and partnerships are key to achieving this scale. We're pleased to have welcomed two leading players, OCBC Bank and Thailand's KASIKORNBANK,

to the alliance. We look forward to more partners joining in the near future, and we expect VIA to reach some 50 million consumers and 2 million merchants across Singapore, Thailand, Malaysia, Indonesia and Japan this year.

Singtel and Grab have teamed up to bid for a digital banking licence in Singapore. Why is Singtel interested in exploring this new venture?

Arthur: We believe digital banking would be a natural extension of the mobile financial services we already offer. With Grab, we have complementary ecosystems and combined synergies in digital, fintech know-how and customer insights, which would enable us to present a new, digital-first model of banking based on simplicity and affordability. There is an opportunity here to serve many other consumers and small businesses underserved in Singapore, and we are excited about the possibility of winning one of the first digital bank licences in Singapore to better meet these needs.

In Southeast Asia, the majority of the adult population is underbanked or unbanked but mobile adoption is high. We believe fintech can make the difference, and we hope to continue driving innovation and financial inclusion across our regional footprint, just as we're doing with Dash and VIA.

Beyond financial services, you also have plans to grow your digital entertainment businesses. What are some of the recent initiatives?

Arthur: We've been stepping up our gaming and esports initiatives with our associates as part of our strategy to grow digital content for millennials and Gen Zs across the region. We see great potential in Southeast Asia where over 200 million are gamers. With PVP Esports, we hope to develop a vibrant and healthy gaming community, uniting gamers over their passion and providing opportunities to level up their play.

We've also recently joined hands with South Korea's SK Telecom and AIS for a regional joint venture. This exciting strategic investment will see us partner leading international game developers and leverage our partners' wealth of knowledge in esports and gaming and their strong entertainment content offering to engage gamers across the Asia Pacific. We welcome more strategic partners and potential investors to join us as we build something truly unique for Asia's gaming industry.

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Our associates have been focused on strengthening their core business offerings and positioning for future growth. We're committed to working closely with them to grow their digital and enterprise businesses, leveraging their leading market positions as well as the Group's scale and operating experience.

ARTHUR LANG
CEO, International Group

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Group Enterprise

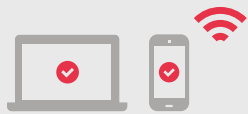
GEARING UP FOR A DIGITAL AND HYPER-CONNECTED FUTURE

We are living in exciting times as the arrival of 5G promises to accelerate digital transformation at an unparalleled pace, unleashing greater innovation. Enterprises can harness the power of emerging technologies such as IoT, AI and the like to reinvent themselves and future-proof their business. With our extensive assets and deep ICT capabilities, we are empowering enterprises with the solutions they need to thrive in an intelligently connected future.

Group Enterprise

With the onset of COVID-19, digitalisation is no longer a 'nice to have' but a 'must-have' for enterprises. Group Enterprise has mobilised our resources to help enterprises stay connected, agile and secure. We are also helping prepare enterprises for the upturn by enhancing our overall ICT capabilities to accelerate their digital transformation.

ENHANCING OUR CONNECTIVITY



INDIGO West and INDIGO Central submarine cable systems linking Southeast Asia to Australia span

9,200km.

PREPARING A CYBER-READY WORKFORCE



15,000

students and professionals trained at the Singtel Cyber Security Institute since 2017.

ENABLING ENTERPRISES TO GO DIGITAL DURING COVID-19



Sign-ups for conferencing solution Singtel BizConference have risen more than

2.5x.

SUPPORTING ENTERPRISES THROUGH COVID-19

The COVID-19 pandemic has wreaked havoc on companies worldwide. To keep their operations going, many companies have resorted to working remotely and splitting their teams as part of social distancing measures to avoid the COVID-19 spread.

Singtel responded quickly by bundling a suite of services including flexible internet connections, mobile service plans and conferencing solutions, allowing enterprises to communicate and collaborate securely. We also expanded our network capacity in Singapore and Australia to cater to the surge in bandwidth as companies activated work-from-home arrangements.

With SMEs adversely affected, we provided free usage of these productivity, collaboration and security tools, enabling them to minimise business disruptions while keeping their staff safe. In Singapore, we have also given SMEs access to our 99% SME e-marketplace at no cost, helping them build a digital presence and reach online consumers. In Australia, we are providing collaboration, mobility, cyber security and enhanced network solutions with free trials, no contract or free cancellation terms.

ENABLING DIGITAL TRANSFORMATION

The cloud is central to the digital transformation strategy of enterprises seeking to scale faster and operate more efficiently. By moving data, workloads, and resources to the cloud,

enterprises can easily access them across devices at any time, giving them the flexibility and agility to meet dynamic business needs. We provide a robust and comprehensive range of cloud services such as digital transformation consultation, application modernisation, workload migration, and cloud automation and security, enabling enterprises to fully reap the benefits of the cloud.

Our industry-leading services are complemented by our network of interconnected, secure data centres where enterprises' clouds are hosted. In the past year, we have attracted several major cloud providers and financial services and technology customers requiring resilient, well-connected and scalable data centres to host their cloud platforms.



STRENGTHENING CORE CAPABILITIES AND INFRASTRUCTURE

We continue to strengthen and enhance the resiliency of our networks and infrastructure in order to cater for new technologies that rely on low latency and high-bandwidth connectivity. We completed the construction of the INDIGO West and INDIGO Central submarine cable systems linking Southeast Asia to Perth and Sydney in Australia respectively. We also expanded our network in the Southern Hemisphere with the construction of Southern Cross NEXT to connect Australia, New Zealand and the United States.

KEEPING ENTERPRISES SECURE

With cyber threats growing in frequency and sophistication, we have reinforced our capabilities

by launching the Trustwave Fusion Platform which functions as a 'mobile Security Operations Centre', providing enterprises with real-time insights on their security status. Together with Trustwave SpiderLabs Fusion Centre's global threat intelligence, they can respond faster to potential threats, reducing the window of opportunity for attackers, as well as minimising damage caused.

GEARING UP FOR 5G

Our efforts to help enterprises accelerate their digitalisation will be boosted with the imminent arrival of 5G from June 2020, which promises to power advanced technologies such as IoT, AI and augmented or virtual reality. With our subsidiary Optus, we are laying the foundation for the

adoption of 5G in Australia and Singapore by partnering technology, equipment and solution providers to create ecosystems where stakeholders can collaborate to develop potential use cases and solutions.

Together with Singapore's A*STAR and JTC, we are helping companies develop next-generation Industry 4.0 manufacturing solutions at the Advanced Remanufacturing and Technology Centre. We are also working with PSA and IMDA to develop 5G applications for port operations at the Pasir Panjang Terminal which could be used at the future Tuas Port to reinforce Singapore's position as a leading transshipment and container hub.

Group Enterprise

THE CEO CONVERSATION

Digitalising out of COVID-19

Businesses have been massively disrupted by COVID-19 with many opting to go digital to operate remotely and transact in contactless ways in order to overcome the crisis. Group Enterprise CEO Bill Chang says this forced digitalisation could well be a silver lining for companies as they emerge from this disruption.

Should enterprises think about transformation as they grapple with the impact of COVID-19?

Bill: Enterprises haven't had a choice. The nature of the pandemic and the need to socially distance have forced companies to go digital to connect with their employees, customers, suppliers and partners. In a matter of months, this has triggered a massive global adoption of technologies that enable work-from-home communication and collaboration. With people turning to digital solutions for contactless or remote ways to get through the crisis, cyber risks have also risen, which is another thing that enterprises are having to grapple with.

Enterprises should see the COVID-19 crisis as an opportunity to transform their businesses digitally. The ones that survive and emerge stronger would undoubtedly have embraced digital in one way or another. We expect many of them to continue using digital to evolve and scale in the post-COVID world, having experienced the benefits and efficiencies of going digital.

Digital transformation involves more than adopting the latest technologies. How should enterprises transform digitally?

Bill: To adopt digital technologies effectively, enterprises must have a clear vision of how their business will operate during and post-COVID and develop a transformation roadmap to achieve their vision.

Investing in the digital skillsets of their workforce is also critical for enterprises to make the successful transition to a digital future. Through the Singapore government's TechSkills Accelerator scheme, enterprises can train their workforce in digital technologies.

As companies expand their digital footprint, the risk of cyber threats is bound to grow. Enterprises must defend themselves against such risks to prevent data loss which can impact their operations and damage their branding.

How is Singtel helping enterprises that have embarked on the digitalisation move to the next level?

Bill: Singtel and our subsidiary NCS can help enterprises digitalise with our combined deep experience and vast digital expertise. We can partner any enterprise at any stage of their digital transformation journey. Our purpose-built FutureNow Innovation Centre provides an experiential platform for enterprises to discover how digital technologies such as cloud, analytics, 5G, IoT and AI can help them reimagine their operational or business models. This can help them innovate, enhance productivity and redefine customer experiences.

We've also established a Centre of Digital Excellence to train and equip enterprises with digital skills such as design thinking and data analytics to accelerate their digital transformation. As their transformation partner, we will help our customers ascertain their digital needs and, wherever viable, co-create new solutions.

Enterprises can also gain a deeper understanding of cyber threats at our Advanced Security Centre and work with us to build a robust cyber defence.

With Australia having launched 5G services and Singapore to follow later this year, how can enterprises leverage 5G to innovate and sharpen their competitiveness?

Bill: 5G is expected to revolutionise industries and companies. Its combo of higher speed and lower latency

will enable the optimisation of a plethora of new technologies such as AI, augmented, virtual or mixed reality, robotics, mobile edge computing and massive IoT deployments. We see 5G serving as the launchpad and digital acceleration platform for enterprises to produce even more innovative and transformative solutions.

In Singapore, we're working with several enterprises on their 5G proof-of-concept trials and we'll facilitate the development of solutions with our 5G platform where application developers can easily build and distribute their offerings directly to enterprises and consumers. In Australia, Optus has begun to roll out its 5G network across several areas in major cities. We're engaging businesses to trial our 5G platform and working with an ecosystem of partners to co-create 5G solutions. We're also ramping up 5G research by partnering Curtin University.

As the cyber threat landscape becomes more sophisticated, how is Singtel protecting enterprises from these fast-evolving threats?

Bill: Digitalisation and hyper-connectivity allow enterprises to innovate faster and operate with agility and efficiency. However, they also increase cyber threats, making enterprises more vulnerable to social engineering phishing scams, data loss and disruptions through ransomware and more sophisticated advanced persistent threats.

To help enterprises strengthen their defences, our global cyber security arm, Trustwave, hones its capabilities in managed security, including threat intelligence and active threat hunting, security consulting and professional services and advanced technology services. Its global network of security operations centres and expertise, including Trustwave SpiderLabs Fusion Centre, a leading-edge cyber command facility, provide real-time global threat intelligence, enabling our managed security services to respond to threats as they happen.

We can also help enterprises review and implement information security policies and procedures, validate incident response plans and ensure data compliance. Additionally, our elite team of specialists including ethical hackers, threat hunters, forensic investigators and researchers at Trustwave SpiderLabs and our corporate lab, have the spectrum of expertise needed to solve complex, evolving cyber threats.

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Enterprises should see the COVID-19 crisis as an opportunity to transform their businesses digitally. The ones that survive and emerge stronger would undoubtedly have embraced digital in one way or another. We expect many of them to continue using digital to evolve and scale in the post-COVID world, having experienced the benefits and efficiencies of going digital.

BILL CHANG
CEO, Group Enterprise

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Group Digital Life

TRANSFORMING THE CUSTOMER EXPERIENCE WITH INNOVATION

Consumers today are more discerning than ever, expecting much more from brands. On the lookout for more than just a good deal, they want a seamless and personalised customer journey that revolves around their lifestyles. Likewise, citizens and visitors value a public service experience that's smooth, easy and fast. To help businesses and government agencies better engage with their customers and stakeholders, we equip them with the tools to create positive experiences and services based on insights from mobility data analytics and media consumption patterns.





Group Digital Life

By forging strategic partnerships and driving innovation, Group Digital Life is providing businesses deeper and more meaningful customer insights to help them plug into the right stage of customers' journeys and optimise the way services are delivered.

EMPOWERING MARKETERS TO CAPTURE DIGITAL OPPORTUNITIES



Amobee's new data marketplace gives advertisers access to more than

60,000

audience segments, arming them with insights to create targeted bespoke campaigns for connected TV.

DRIVING A CYBER-SECURE FUTURE



As a founding partner of the Innovation Cybersecurity Ecosystem @ Block 71 (ICE71), Innov8 has accelerated the growth of

70

cyber security start-ups since 2018, helping them to go to market and scale in the region.

DELIVERING MOBILITY DATA ANALYTICS SOLUTIONS



Over **4b** mobility data points are analysed daily in Australia and Singapore, providing actionable insights to enterprises.

AMOBEE LEADS IN CONVERGED TV AND DIGITAL ADVERTISING

The advertising industry continues to witness the convergence of traditional and digital mediums, especially in TV. However, due to the fragmented nature of audience data across mobile, desktop and connected and linear TV screens, advertisers struggle to target common audience groups and execute cross-channel campaigns. Building on its acquisition of Videology in 2018, Amobee is strengthening its competencies

to bridge this chasm, and equip businesses to effectively execute campaigns for specific audience segments across both traditional and digital TV.

To enhance its capabilities in this area, Amobee expanded its partnership with ITV, the UK's largest commercial broadcaster. ITV launched PlanetV, an advertising platform powered by Amobee's technology, allowing brands to monitor their campaigns 24/7 in real time and combine data sets, in order to reach out to new audience segments.

Another step in deepening Amobee's foray into cross-channel TV is a partnership with Gracenote, a Nielsen software company. Amobee is offering Amobee 4Screen, a solution that applies Nielsen-generated demographics, the industry standard for planning and buying ads, to anonymised smart TV viewership and ad data. This helps advertisers to identify target audiences better and build more accurate campaigns that drive business results.

Amobee's strengths in cross-channel solutions was recognised by Forrester

which named it a leader in The Forrester New Wave™: Cross-Channel Video Advertising report.

DATASPARK MAINTAINS POSITIVE MOMENTUM

Transport, tourism, telco, retail and commercial property are growth areas for DataSpark, as data and mobility analytics play an increasingly integral role in evolving these industries. In Australia and Singapore, DataSpark gained ground in out-of-home advertising, with large players taking on Data-as-a-Service solutions to optimise their assets. DataSpark Australia recorded wins in transport, with major transport authorities signing up for mobility data services.

In support of South Australia's plan to grow the state's visitor economy to A\$12.8 billion by 2030, DataSpark Australia partnered with the South Australian government and the Massachusetts Institute of Technology to set up a Living Lab at Adelaide's Lot Fourteen, the Silicon Valley of Australia. The Lab will provide social behaviour insights to help the

government enhance visitor experience and increase visitor arrivals.

DataSpark also worked with Tourism Research Australia to conduct predictive analysis, in order to forecast the impact of recent bushfires on local and international tourism. These findings have sparked discussions in the Australian Parliamentary Senate on bushfire relief funding.

In the same vein, DataSpark is also supporting governments in the region with a predictive method of tracking the spread of COVID-19 and understanding the socio-economic impact of the virus. These use cases are poised to pick up momentum as the year progresses.

INNOV8 RAMPS UP INVESTMENT IN NEXT-GENERATION TECHNOLOGIES

Innovation remains a priority for the Group, as we seek to capture opportunities in the digital economy. Innov8 focuses on investments in technologies with the potential to enhance the Group's capabilities in areas such as big data, cyber security,

digital healthcare, financial services and next-generation networks.

Noteworthy investments in 2019 include Halodoc, a healthcare platform in Indonesia that enables patients across the country to have live consultations with more than 20,000 licensed doctors across the country. Halodoc also partners with Gojek, the leading delivery platform in Indonesia, to deliver medical prescriptions. In 2019, we also invested in AiCure, an AI start-up in the US, which draws insights from video, audio and behavioural data to help health practitioners and pharmaceutical companies accurately monitor how participants respond to medication during clinical trials.

In the area of financial services, Innov8 invested in Kredivo, a fintech start-up in Indonesia that allows consumers to purchase goods online on credit. Shoppers can apply for a loan through a mobile app and get approval in minutes if they qualify.



Group Digital Life

THE CEO CONVERSATION

Harnessing the power of digital

Singtel's digital businesses are gearing up to seize opportunities created by an increasingly connected world. Group Digital Life's CEO Samba Natarajan shares insights on the digital landscape and how the Group's digital investments will continue scaling in Asia.

What were the key developments for Group Digital Life in the past year and what's the focus in the year ahead?

Samba: FY 2020 was a challenging year for our businesses. Amobee faced intense competition as a slew of new players entered the market, and the integration of Videology, which we acquired in 2018, took longer than expected.

We took the difficult decision of closing HOOQ as its business model was no longer viable. Despite acquiring millions of customers and becoming a leading platform in Southeast Asia, HOOQ faced significant structural changes in the streaming video market. With the high cost of content and consumers' willingness to pay faltering amid an increasing array of choices, HOOQ was not able to grow sufficiently to provide sustainable returns nor cover content and operating costs.

In the coming year, we will continue to invest meaningfully in new technology that will allow us to create differentiation from our competitors. We are also seizing opportunities in digital TV for Amobee and leveraging the increasing demand for mobility data analytics with DataSpark. Our focus is also to continue investing in new growth engines through Innov8, particularly digital health and fintech.

What does the future hold for the marketing industry, and how is Amobee positioned to capitalise on these trends?

Samba: Two key industry trends are set to challenge the way marketers identify and reach their audience. First,

the convergence of traditional and digital TV is resulting in a lack of visibility of audiences across these channels. Second, the imminent removal of third-party cookies from web browsers will cut off a typical source of insights on demographics and purchase patterns.

We have had a head start in offering converged traditional and digital TV advertising solutions, to help marketers resolve this issue and gain insights on TV audiences, especially with Videology. This will be particularly useful for businesses that spend on a mix of both traditional and digital forms of advertising. With this lead, we're innovating ahead of our competitors to create a full suite of converged advertising solutions.

To help marketers gain insights beyond those provided by third-party cookies, we've built a range of brand intelligence and data assets by inking significant partnerships with data providers including Nielsen's software company Gracenote, and Vizio. Through these partnerships, we will be able to give marketers more accurate insights on audiences in a cookie-less world.

We've also launched a new line of business on the back of a landmark partnership with ITV, one of the UK's largest broadcasters, to enable broadcasters to monetise consumer views as consumption shifts from traditional linear TV to video streaming.

DataSpark gained ground in FY 2020. How do you envision continuing this traction in FY 2021?

Samba: DataSpark has made positive strides in bringing mobility data analytics to sectors such as transport and

out-of-home media in Singapore and Australia. The focus for FY 2021 is to continue expanding into new areas where such analytics offers a compelling advantage, such as providing aggregated visibility on population mobility patterns for healthcare and government agencies.

We have a good foothold in helping Optus and our associates optimise spend based on analytics, and we intend to replicate this for other mobile operators globally. We will also look at combining insights from telco data with first-party enterprise data in the consumer goods sector, to deliver new use cases in advertising and store inventory optimisation.

Innov8 has been building its investments in areas such as fintech. Are these new growth drivers for the Group?

Samba: Innov8 continues to be a powerful platform for the Singtel Group to keep a finger on the pulse of the digital economy and innovation. It provides access to leading solutions in areas that are important to us such as big data, cyber security, digital healthcare, financial services and next-generation networks.

For example, as we start to explore digital banking, we are scouting for up-and-coming fintech start-ups that are developing technology that could complement core banking services. Through ICE71, the region's first cyber security entrepreneur hub founded by Innov8 and NUS Enterprise, we stay on top of the latest cyber trends, enabling us to defend our own assets and those of our enterprise customers amid a rapidly evolving threat landscape.

Innov8 also positions Singtel as the preferred 5G partner, bringing us closer to the latest technologies that will advance networks and use cases.

“

We'll continue to invest meaningfully in new technology that will allow us to create differentiation from our competitors. We are also seizing opportunities in digital TV for Amobee and leveraging the increasing demand for mobility data analytics for DataSpark.

SAMBA NATARAJAN
CEO, Group Digital Life

”



Key Awards & Accolades

Business Excellence

Singtel

Asia eCommerce Awards 2019

- Best Use of User Interface / User Experience Design: Gold (GOMO)
- Best Use of Artificial Intelligence: Silver (GOMO)

Creative Circle Awards 2019

- Best use of Direct Digital Channels: Gold (Premier League “Only True Fans Get It”)
- Best use of Social & Messaging Platforms: Gold (Premier League “Only True Fans Get It”)
- Best use of Social Platforms: Gold (Premier League “Only True Fans Get It”)

Event Marketing Awards 2020

- Best Use of Influencers: Silver (PVP Esports)

Federation of Asia-Pacific Retailers Associations Awards 2019

- Most Innovative Retail Concept

Frost & Sullivan APAC Best Practices Awards 2019

- Asia-Pacific Mobile Wallet Provider of the Year (Dash)
- Singapore IoT Service Provider of the Year
- Secure IoT Service Provider of the Year
- Singapore Cloud Infrastructure Competitive Strategy, Innovation & Leadership Award
- Telecom Group of the Year

HardwareZone.com Tech Awards 2020

- Readers' Choice: Best Broadband and Mobile Service
- Readers' Choice: Best Mobile Data Roaming Service Provider

Marketing Excellence Awards 2019

- Excellence in Marketing Transformation: Gold (Making Connections that Matter)
- Excellence in Performance Marketing: Gold (GOMO)

Mob-Ex Awards 2019

- Best Use of Social Media: Bronze (GOMO)

SBR Listed Companies Award 2019

- Telecommunications (UNBOXED)

Singapore Media Awards 2019

- Best Insight-driven Campaign (GOMO)

Telecom Asia Awards 2019

- Best Broadband Carrier

World Communication Awards 2019

- Best Enterprise Service (Singtel Liquid Infrastructure)
- The Broadband Pioneer (Singtel Intelligent Fibre Broadband)

NCS

Channel Asia Innovation Awards 2019

- Partner Value – Enterprise

Trustwave

Frost & Sullivan APAC Best Practices Awards 2019

- Southeast Asia and Singapore Managed Security Service Provider of the Year

PC3 Platinum Brand Award 2019

- Managed Security Services Provider of the Year

SC Awards 2019

- Best Managed Security Service

Telecom Asia Awards 2019

- Best Managed Security Services Provider of the Year

Optus

Australian Competition and Consumer Commission: Measuring Broadband Australia Report 2020

- Highest download speed scores

Australian Defence Magazine Essington Lewis Awards 2019

- Winner (Repositioning of the Optus C1 satellite)

Australian Communications Consumer Action Network Awards 2019

- Challenger Champion of the Decade

Brand Finance Australia Top 100 Rankings

- Australia's Strongest Brand
- 10th in Brand Value

Customer Experience Professionals Australia Awards 2020

- Global winner: Innovation Award

GTI Group Awards 2020

- Winner: Innovative Breakthrough in Mobile Technology Award (development of Optus' dual band 5G technology on 2300MHz and 3500MHz)
- Winner: Innovative Mobile Service and Application Award (Optus' Fixed Wireless Access Home Broadband)

PEGA Conference Las Vegas 2019

- Business Impact Award: Winner

The CommsDay Edison Awards 2019

- Best Satellite Provider: Winner

Amobee

Adweek Best of Tech Readers' Choice Awards 2019

- Winner: Mobile Supply-side Platform

Asia Pacific Stevie Awards 2019

- Innovative Management in Technology Industries – More than 100 Employees: Bronze

Business Insider's Hottest AdTech Companies of 2019

Internet Advertising Competition Awards 2019

- Best Transportation Online Campaign (For Boeing and R&R Partners)
- Outstanding Social Media Campaign (For Indeed)

International Business Awards 2019

- Company of the Year – Advertising, Marketing, & Public Relations – Medium-size: Bronze

Martech Breakthrough Awards 2019

- Best Overall AdTech Company

Mumbrella Asia Awards 2019

- Marketing Technology Company of the Year: Highly Commended

Regional Associates

AIS

Brand Finance Telecoms 300 2019

- World's Strongest Telecoms Brand 2019

Dow Jones Sustainability Indices 2019

- World Index and Emerging Market Index in Telecommunication Services

Ookla Speedtest Award

- Fastest mobile and fixed internet network in Thailand for H1 2019

Airtel**App Annie Rankings October 2019**

- Ranked India's no. 1 music-streaming app in terms of Daily Active Users (Wynk Music)

EFFIES 2020

- Marketing Campaign Effectiveness: Bronze (Airtel Thanks campaign)

Marketing Edge Magazine Awards 2019

- Brand of the year (Airtel Nigeria)
- Most customer-centric brand (Airtel Nigeria)

OpenSignal Mobile Network Experience Report 2019

- Ranked No. 1

TMT Finance Awards 2019

- EMEA TMT IPO of the Year 2019

Globe**ASEAN Corporate Governance Scorecard 2019**

- One of the Top Performing Publicly-Listed Companies in the Philippines

Asia Corporate Excellence and Sustainability Awards 2019

- Asia's Best Workplace of the Year
- Industry Champion

Frost & Sullivan Asia Pacific Best Practices Awards 2019

- Philippines Mobile Services Provider of the Year
- Philippines Mobile Data Service Provider of the Year
- Philippines Telecoms Service Provider of the Year

HR Asia Awards 2019

- Best Company to Work for in Asia

Stevie Awards 2019

- Great Employers of the Year in Telecommunications: Gold

Telkomsel**Frost & Sullivan Best Practice Awards 2019**

- Indonesia Mobile Data Service Provider of the Year
- Indonesia Telecom Service Provider of the Year

Influential Brands Awards 2019

- Top Brand in Telecommunications

World Branding Awards 2019

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

Sustainability and Corporate Citizenship

Singtel**2020 Bloomberg Gender-Equality Index****2020 Global 100 World's Most Sustainable Corporations****Alpha Southeast Asia 9th Annual Institutional Investor Awards for Corporates (Singapore)**

- Best Annual Report

CDP 2019

- A- Leadership score in Climate Change

Enabling Champion Award 2019

- Certificate of Recognition

FTSE4Good Index 2019**Health Promotion Board Singapore HEALTH Award 2019**

- Corporate Award: Excellence

President's Award for the Environment 2019**President's Challenge Social Enterprise Award 2019**

- Social Enterprise Champion of the Year: Finalist

Refinitiv's Diversity and Inclusion Index 2019

- Listed in Top 100

SkillsFuture Employer Awards (Non-SME) 2019**SIAS Investors' Choice Awards 2019**

- Golden Circle Award for Most Transparent Company

Singapore Corporate Awards 2019

- Best Annual Report

Singapore Governance and Transparency Index 2019

- Ranked 1st

Sustainable Business Awards 2019

- Best in Stakeholder Engagement and Materiality

The Leonie Awards 2019

- Top 10 Best Companies for Gender Diversity

Women Corporate Directors Foundation Visionary Award 2019

- Leadership and Governance for a Public Company

Optus**APCO Awards 2019**

- Industry Sector – Telecommunications: Winner

GoodCompany Top 40 Best Workplaces to Give Back in 2019

- 5th Place





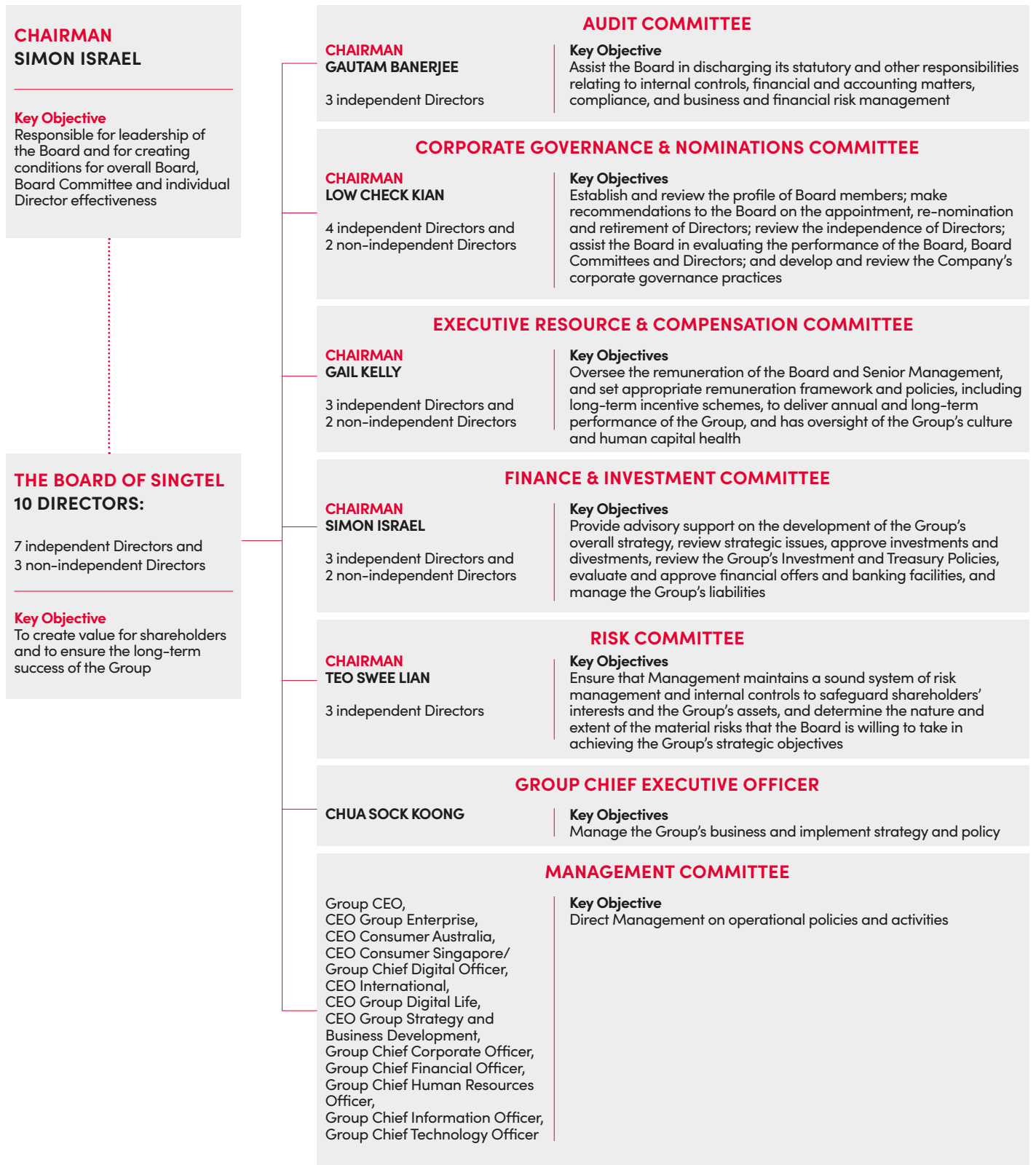
Governance and Sustainability Philosophy

CREATING AN INCLUSIVE DIGITAL- FIRST FUTURE

At Singtel, we believe that the digital revolution should benefit everyone. As we seize digital opportunities, we strive to ensure that technology not only creates value for our stakeholders, but also results in a better and more sustainable future for all. We emphasise responsible business practices and good governance standards that guide our long-term growth, enable us to drive positive change in communities and leave the smallest environmental footprint possible.

Corporate Governance

OUR GOVERNANCE FRAMEWORK



INTRODUCTION

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

Singtel is listed on the Singapore Exchange Securities Trading Limited (SGX) and has complied in all material respects with the principles and provisions in the Singapore Code of Corporate Governance 2018 (2018 Code). This report sets out Singtel's key corporate governance practices with reference to the 2018 Code. We provide a summary of our compliance with the express disclosure requirements in the 2018 Code on pages 94 to 96.

RECOGNITION OF SINGTEL'S COMMITMENT TO BEST PRACTICES IN CORPORATE GOVERNANCE

 Singapore Governance and Transparency Index 2019 <ul style="list-style-type: none"> Ranked 1st 	 Singapore Corporate Awards 2019 <ul style="list-style-type: none"> Best Annual Report 	 SIAS Investors' Choice Awards 2019 <ul style="list-style-type: none"> Golden Circle Award for Most Transparent Company 	 Alpha Southeast Asia 9th Annual Institutional Investor Awards for Corporates (Singapore) <ul style="list-style-type: none"> Best Annual Report Most Organised Investor Relations (#2)
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DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2020⁽¹⁾

Name of Director	Scheduled Board Meetings		Ad Hoc Board Meetings		Independent Directors' Meetings		Annual General Meeting
	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	6	6	2	2	-	-	✓
Lee Theng Kiat ⁽²⁾	2	2	-	-	-	-	-
Chua Sock Koong	6	6	2	2	-	-	✓
Gautam Banerjee	6	6	2	1	3	3	✓
Venkataraman (Venky) Ganesan	6	6	2	1	3	2	-
Bradley Horowitz ⁽³⁾	6	6	2	-	3	3	✓
Gail Kelly	6	6	2	2	3	3	✓
Low Check Kian	6	6	2	2	3	3	✓
Christina Ong ⁽³⁾	6	5	2	-	3	1	✓
Teo Swee Lian	6	6	2	2	3	3	✓
Dominic Barton ⁽⁴⁾	4	3	2	2	3	2	✓
Bobby Chin ⁽⁵⁾	1	1	-	-	1	1	✓
Peter Mason AM ⁽⁶⁾	1	1	-	-	1	1	✓

Notes:

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

⁽²⁾ Mr Lee Theng Kiat was appointed to the Board as Chairman-designate on 15 January 2020.

⁽³⁾ Mr Bradley Horowitz and Mrs Christina Ong recused themselves and did not participate at the ad hoc Board Meetings due to conflicts of interest.

⁽⁴⁾ Mr Dominic Barton stepped down from the Board with effect from 26 November 2019.

⁽⁵⁾ Mr Bobby Chin stepped down from the Board at the conclusion of the AGM on 23 July 2019.

⁽⁶⁾ Mr Peter Mason AM retired from the Board at the conclusion of the AGM on 23 July 2019.

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 the Management Committee, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees the long-term succession planning for the Management Committee.

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

Board meetings

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. At every scheduled meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). The Board also sets aside time for the non-executive Directors to meet without any executives present. The independent Directors meet at least once a year, at a meeting chaired by the Lead Independent Director. The Board holds approximately six scheduled meetings each year and may also hold ad hoc meetings as and when warranted by circumstances. A total of eight Board meetings (including ad hoc Board meetings) and three independent Directors' meetings were held in the financial year ended 31 March 2020. With the

adoption of half-yearly reporting of financial results from the financial year ending 31 March 2021, there will be four scheduled Board meetings for the year.

Material items that require Board approval include:

- The Group's strategic plans
- The Group's annual operating plan and budget
- Full-year and half-year financial results
- Dividend policy and payout
- Issue of shares
- Board succession plans
- Succession plans for Management Committee positions, including appointment of, and compensation for, Management Committee members
- 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

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

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

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2020 is set out on page 66. Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Chairman or the Group CEO.

Director development/training

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

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

Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance, 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.

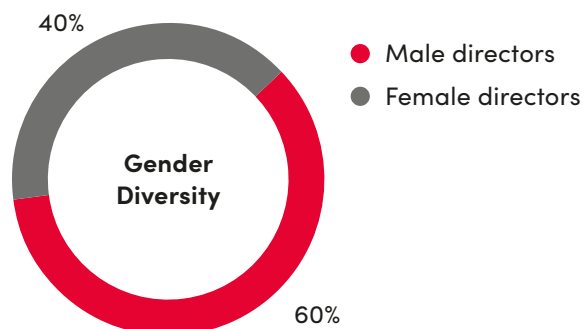
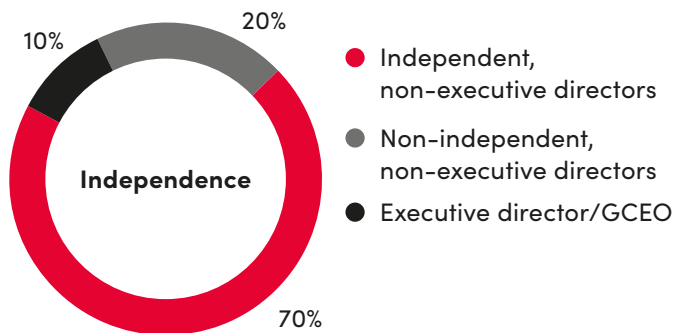
To ensure Directors can fulfil their obligations and to continually improve the performance of the Board,

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 2020, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group.
- Directors were invited to meet with the Technology Advisory Panel, during which they were also updated by representatives from companies in the digital/technology space on emerging trends and technologies relevant to the Group's business.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there.
- The Board made a trip to the People's Republic of China to visit and engage with leading companies there, particularly in the technology space.
- During scheduled Board meetings, the Board was briefed on pertinent topics, including updates on corporate governance rules, guidelines, and best practices, and developments in technology.

BOARD COMPOSITION, DIVERSITY AND BALANCE



Corporate Governance

There are 10 Directors on the Board, comprising 7 non-executive independent Directors, two non-executive non-independent Directors and one executive Director. The Board has appointed a Lead Independent Director. A summary of the role of the Lead Independent Director is set out on pages 71 to 72. The profiles of the Directors are set out on pages 22 to 26.

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

In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term.

Board 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, four of Singtel's 10 Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan and Bradley Horowitz, and Mrs Gail Kelly. In relation to gender diversity, 40% of the Singtel Board, or four out of the 10 Board members, are female. Other than the Group CEO, none of the Directors is a former or current employee of the Company or its subsidiaries.

Independence

The Board, taking into account the views of the CGNC, assesses the independence of each Director annually, and as and when circumstances require, in accordance with the 2018 Code. A Director is considered independent if he has no relationship with the company, its related corporations, substantial shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The Board considers the existence of relationships or circumstances, including those identified by the listing rules of the Singapore Stock Exchange and the Practice Guidance, 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; a Director being on the Board for an aggregate period of more than nine years; the acceptance by a Director of any significant compensation from the Company or any of its subsidiaries for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The CGNC and the Board have assessed the independence of each of the Directors in 2020. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into consideration the guidance in the 2018 Code, the listing rules and (where relevant) the Practice Guidance and the Code of Corporate Governance 2012, the Board has determined that Ms Chua Sock Koong, Singtel's Group CEO, Mr Simon Israel, Chairman of the Singtel Board and Mr Lee Theng Kiat, Chairman-designate of the Singtel Board are the only non-independent Directors. All other members of the Board are considered to be independent Directors. In line with the Board's Code of Business Conduct and Ethics, each of the members of the CGNC and the Board abstained in respect of the confirmation or his/her independence status.

Mr Simon Israel is considered non-independent as he had previously been deemed non-independent by virtue of his previous roles as a non-executive director, and subsequently executive director, of Temasek Holdings (Private) Limited (Temasek). He stepped down from Temasek in June 2011. Temasek has an interest of approximately 53% in Singtel as at 31 March 2020.

Mr Lee Theng Kiat is deemed non-independent given his current roles as Executive Director of Temasek and the Chairman of Temasek International Pte. Ltd. He is not a nominee of Temasek on the Singtel board and does not act for Temasek in respect of his board role at Singtel.

Mr Low Check Kian, Mrs Christina Ong, Ms Teo Swee Lian and Mr Gautam Banerjee are board members of organisations that purchase services and/or equipment from the Singtel Group in the ordinary course of business. Their roles in those organisations are non-executive in nature and they are not involved in the day-to-day conduct of the business of those organisations. The CGNC and the Board are of the view that such relationships do not interfere with the exercise of the Directors' independent business judgement in the best interests of Singtel.

Mr Low Check Kian has served as an Independent Director for more than nine years since the date of his first appointment. The Code of Corporate Governance 2012 states that the independence of any director who has served on the board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. Taking into consideration, among other things, Mr Low's active participation and actual

performance on the Board and Board Committees and as Lead Independent Director, the CGNC and the Board are of the view that Mr Low has at all times exercised independent judgement in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an Independent Director.

Mrs Christina Ong is a partner of Allen & Gledhill LLP (A&G), which provides legal services to, and receives fees from, the Singtel Group. However, Mrs Ong does not hold a 5% or more interest in A&G. Mrs Ong is also on the board of Oversea-Chinese Banking Corporation Limited, which provides banking services in the ordinary course of business to the Singtel Group. The CGNC and the Board are of the view that the abovementioned relationships do not interfere with the exercise of Mrs Ong's independent business judgement in the best interests of Singtel and that she is therefore an Independent Director.

Ms Teo Swee Lian is the Chairman of CapitaLand Mall Trust (CMT). Singtel is a tenant of some shopping malls in CMT's portfolio. These transactions are conducted in the ordinary course of business, at arm's length and based on normal commercial terms and market rates. In addition to her directorship in CMT, which is a subsidiary of Temasek, Ms Teo is also a director of an associated company of Temasek. Ms Teo's roles in these organisations are non-executive in nature and she is not involved in the day-to-day conduct of the business of these organisations. The CGNC and the Board are of the view that the relationships described above do not interfere with the exercise of Ms Teo's independent business judgement in the best interests of Singtel and that she is therefore an Independent Director.

Mr Venky Ganesan is a director of BitSight Technologies, Inc (BitSight). Singtel's subsidiary, Singtel Innov8 Pte. Ltd., has an interest of less than 2% in BitSight. The investment in BitSight by Singtel Innov8 Pte. Ltd. was made independent of Mr Ganesan's association with Singtel. Also, BitSight provided services and equipment in the ordinary course of business to the Singtel Group during the financial year. The CGNC and the Board are of the view that the abovementioned relationships do not interfere with the exercise of Mr Ganesan's independent business judgement in the best interests of Singtel and that he is therefore an Independent Director.

Mr Bradley Horowitz is an executive of Google, Inc., which provided services to the Singtel Group in the ordinary course of business during the financial year. The CGNC

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and the Board are of the view that the abovementioned relationship does not interfere with the exercise of Mr Horowitz's independent business judgement in the best interests of Singtel and that he is therefore an Independent Director.

Mrs Gail Kelly does not have any of the relationships and is not faced with any of the circumstances identified in the 2018 Code, the SGX Listing Manual and the Practice Guidance that could interfere, or be reasonably perceived to interfere, with the exercise of her independent business judgement in the best interests of Singtel. The CGNC and the Board are of the view that Mrs Kelly has demonstrated independence in the discharge of her duties and responsibilities as a Director and that she is therefore an Independent Director.

Conflicts of Interest

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

The Chairman and the Group CEO

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

Role of the Chairman

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

engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO.

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

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

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

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

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

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance. 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 independent Directors at least annually. He provides feedback on the meeting(s) to the Board and/or the Chairman as appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman, Group CEO or Group CFO has failed to resolve, or where such contact is inappropriate.

Board Membership

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

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

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

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

In order to ensure Board renewal, the Board has in place guidelines on the tenure of the Chairman and Directors. The guidelines provide that Directors are appointed for an initial term of three years, and this may be extended to a second three-year term. As a general rule, a Director

shall step down from the Board no later than at the Annual General Meeting (AGM) to be held in his sixth year of service. Where a Director is not appointed at an AGM, the Director's term will be deemed to have commenced on the date of the AGM immediately following the date on which the Director was appointed. The Committee may, in appropriate circumstances, recommend to the Board that a Director's term be extended beyond the second three-year term. For Chairman, the same principles apply except that the term is determined from the point he became Chairman.

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

The Company's Constitution provides that a Director must retire from office at the third AGM after the Director was elected or last re-elected.

A retiring Director is eligible for re-election by Singtel shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than three Directors would retire pursuant to the requirements set out above, the additional Directors to retire at that AGM shall be those who have 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

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that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

Board Performance

Each year, the CGNC undertakes a process to assess the effectiveness of the Board, the Board Committees and individual Directors. For the financial year ended 31 March 2020, as in previous years, an independent external consultant (2020: Aon Hewitt Singapore) was appointed to facilitate this process. The 2020 survey was designed to provide an evaluation of the effectiveness of the Board, Board Committees, Chairman and individual Directors, as well as provide insights on the Board culture. The Directors and senior management were requested to complete evaluation questionnaires on matters such as Board composition, Board processes, the relationship between the Board and management, representation of shareholders and environmental, social and governance (ESG) issues, development and monitoring of strategy and priorities, Board Committee effectiveness, CEO performance management and succession, director development and management, and risk management.

In addition to the appraisal exercise, the contributions and performance of each Director are 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 is able to identify areas for improving the effectiveness of the Board and Board Committees. The Board is 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 the 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 advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. 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 2020 is set out on page 78.

Audit Committee

MEMBERSHIP

Gautam Banerjee, committee chairman and independent non-executive Director

(appointed AC Chairman on 23 July 2019)

Gail Kelly, independent non-executive Director

(appointed AC member on 15 May 2019)

Christina Ong, independent non-executive Director

Note:

Bobby Chin stepped down as a Director and AC Chairman at the conclusion of the AGM on 23 July 2019.

KEY OBJECTIVE

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

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

The AC has explicit authority to investigate any matter within its terms of reference, and has full cooperation and access to Management. It has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions. 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 objectively 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 external 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, remuneration and terms of engagement of the external auditors. In addition, the AC approves the Singtel Internal Audit Charter and reviews the internal audit function for independence and effectiveness, adequacy of resourcing, including staff qualifications and experience, and its standing within Singtel. The AC also reviews the performance of Internal Audit, including approving decisions relating to appointment or removal of Group Chief Internal Auditor and approving the performance and compensation of the Group Chief Internal Auditor. Based on this, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

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

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

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

Financial matters

The AC reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues including revenue recognition, taxation, goodwill impairment, and the joint ventures' and associates' contingent liabilities, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management, internal and external auditors have been included as key audit matters (KAMs) in the Independent Auditors' Report for the financial year ended 31 March 2020. Refer to pages 144 to 151 of this Annual Report.

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

The information included in the Annual Report, excluding the Financial Statements and Independent Auditors'

Report, was provided to the external auditors after the Independent Auditors' Report date. The external auditors have provided a written confirmation to the AC that they have completed the work in accordance with SSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*, and they have noted no exception. A copy of the charter of the AC is available on the corporate governance page on the Company's website at www.singtel.com/about-us/company/corporate-governance.

Corporate Governance and Nominations Committee

MEMBERSHIP

Low Check Kian, committee chairman and independent non-executive Director

Simon Israel, non-executive Chairman of the Singtel Board

Lee Theng Kiat, non-executive Chairman-designate of the Singtel Board (appointed CGNC member on 1 February 2020)

Gail Kelly, independent non-executive Director (appointed CGNC member on 13 November 2019)

Christina Ong, independent non-executive Director

Teo Swee Lian, independent non-executive Director

KEY OBJECTIVES

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

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

The main activities of the CGNC are outlined in the commentaries on "Board Composition, Diversity and Balance", "Board Membership" and "Board Performance" from pages 68 to 73.

The CGNC met three times during the financial year ended 31 March 2020, and also approved various matters by written resolution.

Executive Resource and Compensation Committee

MEMBERSHIP

Gail Kelly, committee chairman and independent non-executive Director (appointed ERCC Chairman on 23 July 2019)

Simon Israel, non-executive Chairman of the Singtel Board

Lee Theng Kiat, non-executive Chairman-designate of the Singtel Board (appointed ERCC member on 1 February 2020)

Low Check Kian, independent non-executive Director (appointed ERCC member on 4 May 2020)

Teo Swee Lian, independent non-executive Director

Note:

Peter Mason AM retired as a Director and ERCC Chairman at the conclusion of the AGM on 23 July 2019.

KEY OBJECTIVES

The ERCC will ensure that competitive and effective compensation, and progressive policies are in place to attract, motivate and retain a pool of talented executives to meet the current and future growth of the Group. This includes an oversight of the Group's culture and human capital health, ensuring:

- Appropriate recruitment, development, retention and succession planning programs are in place; and
- An appropriate Corporate Culture (incorporating inclusion, diversity and ethical health), underpinned by the Singtel core values, is fostered within the Group.

The ERCC plays an important role in helping to ensure that the Group is able to attract, motivate and retain the best talents through competitive and effective remuneration, as well as progressive and robust policies 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 reviews the targets of Senior Management across four broad categories of financial, strategy, operational and people at the beginning of the financial year and assesses the performance against these targets at the end of the financial year. 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.

The ERCC reviews and ensures 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. In addition, the ERCC oversees the Group's culture and human capital health through the following:

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- Reviews effectiveness of talent management programmes, including for emerging and niche capabilities;
- Reviews policies, actions and progress made to promote the Group's diversity and inclusion objectives;
- Reviews results, trends and actions taken to address issues raised from employee engagement and culture surveys; and
- Reviews the sufficiency of the ongoing measures being adopted to improve employee engagement and instill appropriate culture within the Group

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 85 to 94.

The ERCC met six times during the financial year ended 31 March 2020.

Finance and Investment Committee

MEMBERSHIP

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

Lee Theng Kiat, non-executive Chairman-designate of the Singtel Board (appointed FIC member on 1 February 2020)

Venky Ganesan, independent non-executive Director

Bradley Horowitz, independent non-executive Director

Low Check Kian, independent non-executive Director

Note:

Dominic Barton was appointed a Director and FIC member on 25 March 2019 and 15 May 2019 respectively. He stepped down as a Director and FIC member with effect from 26 November 2019.

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 2020.

Risk Committee

MEMBERSHIP

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

Gautam Banerjee, independent non-executive Director

Christina Ong, independent non-executive Director (appointed RC member on 25 November 2019)

Notes:

⁽¹⁾ Dominic Barton was appointed a Director and RC member on 25 March 2019 and 15 May 2019 respectively. He stepped down as a Director and RC member with effect from 26 November 2019.

⁽²⁾ Bobby Chin stepped down as a Director and RC member at the conclusion of the AGM on 23 July 2019.

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 2020.

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 Mrs Gail Kelly (committee chairman), Mr Simon Israel, Mr Lee Theng Kiat, Ms Chua Sock Koong, Mr John Arthur, Mr David Gonski, Mr John Morschel and Mr Paul O'Sullivan. The OAC discusses strategic business issues relating to the Australian businesses.

The TAP advises the Board on developments, issues and emerging trends in the technology space. The TAP comprises distinguished international members and is chaired by Mr Venky Ganesan. The other members of the Panel are Mr Manik Gupta, Mr Bradley Horowitz and Mr Koh Boon Hwee.

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 Digital Officer, CEO International, CEO Group Digital Life, CEO Group Strategy and Business Development, Group Chief Corporate Officer, Group CFO, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

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

DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2020⁽¹⁾

Name of Director	Audit Committee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Risk Committee	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	-	-	3	3	6	6	5	5	-	-
Lee Theng Kiat ⁽²⁾	-	-	1	1	1	1	1	1	-	-
Chua Sock Koong ⁽³⁾	5	5	3	3	6	6	5	5	3	3
Gautam Banerjee	5	5	-	-	-	-	-	-	3	3
Venky Ganesan	-	-	-	-	-	-	5	5	-	-
Bradley Horowitz ⁽⁴⁾	-	-	-	-	-	-	5	3	-	-
Gail Kelly ⁽⁵⁾	3	3	1	1	6	6	-	-	-	-
Low Check Kian ⁽⁶⁾	-	-	3	3	-	-	5	5	-	-
Christina Ong ⁽⁷⁾	5	4	3	3	-	-	-	-	1	1
Teo Swee Lian	-	-	3	3	6	6	-	-	3	3
Dominic Barton ⁽⁸⁾	-	-	-	-	-	-	4	4	2	2
Bobby Chin ⁽⁹⁾	2	2	-	-	-	-	-	-	1	1
Peter Mason AM ⁽¹⁰⁾	-	-	-	-	3	3	-	-	-	-

Notes:

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

⁽²⁾ Mr Lee Theng Kiat was appointed to the Board as Chairman-designate on 15 January 2020 and a member of the Corporate Governance and Nominations Committee, the Executive Resource and Compensation Committee and the Finance and Investment Committee on 1 February 2020.

⁽³⁾ Ms Chua Sock Koong is not a member of the Board Committees, although she attended meetings of the Committees as appropriate.

⁽⁴⁾ Mr Bradley Horowitz recused himself and did not participate in certain Finance and Investment Committee meetings due to conflicts of interest.

⁽⁵⁾ Mrs Gail Kelly was appointed a member of the Audit Committee and the Corporate Governance and Nominations Committee on 15 May 2019 and 13 November 2019 respectively.

⁽⁶⁾ Mr Low Check Kian was appointed a member of the Executive Resource and Compensation Committee on 4 May 2020.

⁽⁷⁾ Mrs Christina Ong was appointed a member of the Risk Committee on 25 November 2019.

⁽⁸⁾ Mr Dominic Barton was appointed a member of the Finance and Investment Committee and the Risk Committee on 15 May 2019. He stepped down from the Board with effect from 26 November 2019.

⁽⁹⁾ Mr Bobby Chin stepped down from the Board at the conclusion of the AGM on 23 July 2019.

⁽¹⁰⁾ Mr Peter Mason AM retired from the Board at the conclusion of the AGM on 23 July 2019.

Corporate Governance

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 2020, 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, compliance and 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 66 staff members, including the Group Chief Internal Auditor. Singtel IA 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 has a Quality Assurance programme to ensure that its audit activities conform to the IIA Standards. As part of the programme, internal Quality Assurance Reviews are conducted quarterly, and external Quality Assurance Reviews are carried out at least once every five years by qualified professionals from an external organisation. The last external Quality Assurance Review was successfully completed in 2018 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.

In line with leading practices, a dedicated Data Analytics and Robotics function has been established in 2020 within Singtel IA to deploy data analytics and robotics automation to increase audit efficiency and effectiveness as well as design and implement the training roadmap for the global audit function to increase capabilities.

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

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

External Auditor

The Board is responsible for the initial appointment of the external auditor. Shareholders then approve the appointment at Singtel's AGM. The external auditor holds office until its removal or resignation. The AC assesses the external auditor based on factors such as the performance and quality of its audit and the independence and objectivity 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. KPMG has met this requirement. Singtel has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to the appointment of its external auditor.

In order to maintain the independence of the external auditor, Singtel has developed policies and approval processes regarding the types of non-audit services that the external auditor can provide to the Singtel Group. The AC reviewed the non-audit services provided by the external auditor during the financial year and the

associated fees. The AC is satisfied that the independence and objectivity 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 KPMG services for the financial year ended 31 March 2020 (S\$ Mil)

Audit services	4.9
Non-audit services (including audit-related services)	0.8

Risk Management and Internal Control

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2020, 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 Management Framework for the identification of key risks within the business. This Framework defines 30 categories of risks ranging from environmental to operational and management decision-making risks. The Group's risk management and internal control framework is aligned with the ISO 31000:2018 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework. Major incidents and violations, if any, are reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks.

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

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

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

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

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

Corporate Governance

of the Coronavirus Disease 2019 (COVID-19) pandemic, an ongoing pandemic which resulted in countries taking containment and mitigation measures to minimise cross-border and local transmission of the virus, the Board was provided with timely and regular updates on Singtel Group's response plans, covering Singapore, Australia and countries where the Group operates in. Singtel has established the Pandemic Control Committee (PCC) and Emergency Management Team (EMT) to oversee Singtel and Optus response plans respectively, with the objectives of protecting staff and minimising business disruption. The Group's Associates have also established Emergency Management Teams and implemented comprehensive pandemic response measures to minimise operation disruption and ensure staff well-being. The response plans are constantly updated to adapt to the pandemic situation.

The Board has received assurance from the Group CEO and Group CFO that, as at 31 March 2020, the Group's financial records have been properly maintained, the financial statements give a true and fair view of the Group's financial position, operations and performance, and that they are prepared in accordance with accounting standards.

The Board has also received assurance from the Group CEO, Group CFO and Management Committee members that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2020 to address financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management and the various Board Committees as well as assurances from members of the Management Committee, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2020 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The systems of risk management and internal control established by Management provide reasonable, but not absolute, assurance that Singtel will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal control can provide absolute assurance in

this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 99 to 110.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Communication with Shareholders

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

Over the years, Singtel has won recognition from investors, academia and finance media for its strong emphasis on corporate governance and proactive approach to shareholder communication and engagement. It has also been rated highly on several indices and rankings for its sustainability practices.

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, dividend policy, bond programmes, credit ratings and investor factsheets. Contact details of the IR department are also listed on the website for investor queries.

In line with amendments to Rule 705 of the SGX Listing Manual, Singtel will be adopting half-yearly announcement of its financial results with effect from the financial year starting 1 April 2020. The half-year and full-year financial results will contain detailed financial statements, key business drivers and management commentaries on the financial performance of the Group. They will be announced within 45 and 60 days from the end of each respective financial period. However, quarterly business updates will be published to give investors insight into the Group's business performance between the half-year and full-year results announcements.

To allow investors to keep abreast of strategic and operational developments, Singtel will continue to make timely disclosures of material information to the SGX.

In view of the unprecedented disruption from COVID-19, Singtel will not be providing guidance for the next financial year unlike in previous years. It will update the market when there are material developments or when there is greater clarity in the operating environment.

Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in more than 160 meetings and conference calls. Meetings were largely undertaken by Singtel's Senior Management and the IR officers.

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

In view of the COVID-19 pandemic, the 28th Annual General Meeting (AGM 2020) to be held in July 2020 will be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Emergency Legislation). Alternative arrangements relating to attendance at the AGM 2020 via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM 2020, addressing of substantial and relevant questions at the AGM 2020 and voting by appointing the chairman of the meeting as proxy at the AGM 2020, are set out in Singtel's announcement dated 1 July 2020. The description below sets out Singtel's usual practice for shareholder meetings when there are no pandemic risks and the Emergency Legislation is not in operation.

Singtel strongly encourages and supports shareholder participation at general meetings. Singtel delivers the Notice of AGM and related information about a month ahead, providing sufficient time for shareholders to review the Notice of AGM and appoint proxies to attend the AGM if they wish. The Notice of AGM is also advertised in The Straits Times for the benefit of shareholders. Singtel holds its general meetings at central locations in Singapore

with convenient access to public transportation. Under Singtel's Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries (as defined in the Companies Act, Chapter 50) may appoint more than two proxies to attend and vote on their behalf. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. There are separate resolutions at general meetings on each substantially separate issue and Singtel provides the necessary information on each resolution to enable shareholders to exercise their vote on an informed basis. Singtel currently does not implement voting in absentia by mail or electronic means as the authentication of shareholder identity and other related security and integrity issues remain a concern.

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

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Electronic Poll Voting at Singtel General Meetings

In view of the COVID-19 pandemic, voting by shareholders at the AGM 2020 will be done by way of appointing the chairman of the meeting as proxy in accordance with the Emergency Legislation and the related guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings during the pandemic.

The description below sets out Singtel's usual practice for voting at shareholder meetings when there are no pandemic risks and the Emergency Legislation is not in operation.

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 are compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out.

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

MANAGING STAKEHOLDER RELATIONSHIPS

Singtel undertakes a formal stakeholder engagement exercise, which is facilitated by a third party at least once every three years to determine the environmental, social and governance issues that are important to the stakeholders. These issues form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in Singtel's sustainability report. Singtel's executives are also involved in ongoing engagements with these same stakeholders through various other channels.

Singtel's approach to stakeholder engagement and materiality assessment can be found at page 5 of the Sustainability Report.

OTHER MATTERS

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 one month before the announcement of the financial statements for the half-year and 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 for the half-year and full financial year, and ending on the date of the announcement of the relevant results. 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 it is during the abovementioned "closed" periods for trading in Singtel securities. The Company Secretary sends regular reminders of the requirements under the policy and the relevant laws and regulations to the Directors and Management.

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

The Securities Transactions Policy also discourages trading on short-term considerations and reminds Directors and officers of their obligations under insider trading laws. Directors and officers of the Group wishing to deal in Singtel securities during a closed period must secure prior written approval of the Chairman (in the case of Directors of Singtel), the Lead Independent Director (in the case of the Chairman) or the Group CEO (in the case of directors of Singtel subsidiaries and Key Officers). Requests for written approval must contain a

full explanation of the exceptional circumstances and proposed dealing. If approval is granted, trading must be undertaken in accordance with the limits set out in the written approval. Directors are to inform the Company Secretary before trading in Singtel securities. The Board is kept informed when a Director trades in Singtel securities. A summary of Singtel's Securities Transactions Policy is available in the Corporate Governance section of the Singtel corporate website.

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

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

Continuous Disclosure

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

No Material Contracts

Since the end of the previous financial year ended 31 March 2019, 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 2020, 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 260. Singtel Internal Audit regularly reviews the IPT entered into by the Singtel Group to verify the accuracy and completeness

of the IPT disclosure and ensure compliance with the SGX reporting requirements under Chapter 9 of the SGX Listing Manual. 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 2020, there were no loans granted to Directors.

Codes of Conduct and Practice

The Board has adopted a Code of Business 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 Business Conduct and Ethics sets out the Board's principles on dealing with conflicts of interest, maintaining confidentiality, compliance with laws and regulations and fair dealing. The Board also has a Directors' Manual, which sets out specific Board governance policies and practices and the Directors' duties and responsibilities. In addition, Singtel has a code of internal corporate governance practices, policy statements and standards (Singtel Code), and makes this code available to Board members as well as employees of the Group. The principles, policies, standards and practices in the Code of Business Conduct and Ethics, the Directors' Manual and the Singtel Code are intended to enhance investor confidence and rapport, and to ensure that decision-making is properly carried out in the best interests of the Group. The Code of Business 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.

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Singtel adopts a zero tolerance approach to bribery and corruption in any form and this is set out in the code as well as the Singtel Anti-Bribery and Corruption Policy (ABC Policy). The code and the ABC Policy are posted on Singtel's internal website and a summarised version of the code, as well as the ABC Policy, are 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

Singtel undertakes to investigate all complaints of suspected fraud and corruption in an objective manner and has a whistle-blower policy and procedures that provide employees and external parties with well-defined and accessible channels within the Group for reporting such concerns. The policy identifies those authorised to receive complaints, including a direct channel to Singtel IA and whistle-blower hotline services independently managed by external service provider. The policy provides mechanisms for reporting suspected fraud, corruption, other illegal or unethical practices or other similar matters which may cause financial loss to the Group or damage the Group's reputation. The policy is aimed at encouraging the reporting of such matters with the confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from detrimental conduct.

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 another appropriately skilled and knowledgeable independent investigation team 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 financial year ending 31 March 2021 so that Directors' fees can be paid on a half-yearly basis in arrears. No Director can decide his or her own fees.

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

Directors are encouraged, but not required, 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 2020

For the financial year ended 31 March 2020, the Chairman received an all-inclusive fee of S\$960,000 (excluding car-related benefits). The fee was paid approximately two-thirds in cash and approximately one-third in Singtel shares. No separate retainer fees, committee fees, attendance fees or travel allowance were paid to the Chairman.

The fees for non-executive Directors (other than the Chairman) comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings and a travel allowance for

Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings that did not coincide with Board meetings. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2020 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 2020 was S\$2,551,039 (details are set out in the table below).

Name of Director	Director's Fees (\$)
Simon Israel ⁽¹⁾	960,000
Lee Theng Kiat ⁽²⁾	-
Gautam Banerjee	195,271
Venky Ganesan ⁽³⁾	147,000
Bradley Horowitz ⁽⁴⁾	193,000
Gail Kelly ⁽⁵⁾	211,166
Low Check Kian ⁽⁶⁾	190,000
Christina Ong	184,750
Teo Swee Lian	205,000
Dominic Barton ⁽⁷⁾	143,713
Bobby Chin ⁽⁸⁾	60,806
Peter Mason AM ⁽⁹⁾	60,333
Total	2,551,039

Notes:

⁽¹⁾ In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S\$37,679).

⁽²⁾ Mr Lee Theng Kiat was appointed Chairman-designate on 15 January 2020 and a member of the Corporate Governance and Nominations Committee, the Executive Resource and Compensation Committee, the Finance and Investment Committee and the Optus Advisory Committee on 1 February 2020.

⁽³⁾ In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US\$75,000 and US\$100,000 for the financial year ended 31 March 2020 in his capacity as the Chairman of the Technology Advisory Panel and a director of Amobee, Inc respectively.

⁽⁴⁾ In addition to the Director's fees set out above, Mr Bradley Horowitz received fees of US\$50,000 for the financial year ended 31 March 2020 in his capacity as a member of the Technology Advisory Panel.

⁽⁵⁾ In addition to the Director's fees set out above, Mrs Gail Kelly received fees of S\$31,909 for the financial year ended 31 March 2020 in her capacity as the Chairman/a member of the Optus Advisory Committee.

⁽⁶⁾ In addition to the Director's fees set out above, Mr Low Check Kian received fees of S\$35,000 for the financial year ended 31 March 2020 in his capacity as a director of Singtel Innov8 Pte. Ltd.

⁽⁷⁾ Mr Dominic Barton was appointed a member of the Finance and Investment Committee and the Risk Committee on 15 May 2019. He stepped down as a Director and member of the Finance and Investment Committee and the Risk Committee with effect from 26 November 2019.

⁽⁸⁾ Mr Bobby Chin stepped down as a Director and member of the Audit Committee and the Risk Committee at the conclusion of the AGM on 23 July 2019.

⁽⁹⁾ In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S\$10,914 in his capacity as the Chairman of the Optus Advisory Committee for the financial year ended 31 March 2020. He retired as a Director and member of the Executive Resource and Compensation Committee and the Optus Advisory Committee at the conclusion of the AGM on 23 July 2019.

There is no employee of the Group who is an immediate family member of a Director or the GCEO, and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2020. No employee of the Group is a substantial shareholder of the Company.

Corporate Governance

Financial Year Ending 31 March 2021

For the financial year ending 31 March 2021, it is proposed that aggregate fees of up to S\$2,350,000 (2020: up to S\$2,950,000) be paid to Directors. The proposed framework for Directors' fees for the financial year ending 31 March 2021 is the same as that for the financial year ended 31 March 2020. The decrease in the maximum amount of Directors' fees for the financial year ending 31 March 2021 of S\$600,000 as compared to that for the previous financial year is largely due to the fact that Mr Lee Theng Kiat has requested that he not be paid any Directors' fees. Mr Lee will assume the position of Chairman of the Board following the conclusion of the

28th Annual General Meeting (AGM 2020) to be held in July 2020, subject to shareholders approving his re-appointment as a Director at the AGM.

In a show of solidarity with Singtel and its wider community of stakeholders, the Board of Directors have volunteered a 10% cut in the basic retainer fees for the financial year ending 31 March 2021. The 10% voluntary cut has not been factored in the sum of S\$2,350,000 being tabled for shareholders' approval at the AGM 2020, but will be applied when determining the actual amount of Directors' fees payable for the financial year ending 31 March 2021.

Remuneration Strategy and Principles

Our remuneration strategy is designed to attract, motivate and retain employees to drive the current and future growth of the Company. The following are our guiding principles for remuneration of Senior Management.

ALIGNMENT WITH SHAREHOLDERS' INTERESTS

- Align interests between management and shareholders
- Select appropriate performance metrics for annual and long-term incentive plans to support business strategies and ongoing enhancement of shareholder value
- Allow for performance-related clawback if long-term sustained performance targets are not met
- Establish sound and structured funding to ensure affordability

FAIR AND APPROPRIATE

- Offer competitive packages to attract and retain highly experienced and talented individuals
- Link a significant proportion of remuneration to performance, both on an annual and long-term basis
- Structure a significant but appropriate proportion of remuneration to be at risk with symmetric upside and downside

PAY-FOR-PERFORMANCE

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

EFFECTIVE IMPLEMENTATION

- Ensure link between performance and remuneration is clear and the framework is simple for employees to understand
- Meet rigorous corporate governance requirements

REMUNERATION GOVERNANCE

The effectiveness of our remuneration strategy is underpinned by a robust governance. The ERCC reviews remuneration of Senior Management through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market. On an annual basis, the ERCC proposes the compensation of the Management Committee for the Board's approval and approves compensation for the other Senior Management.

During the year, the ERCC engaged Willis Towers Watson (Singapore) to conduct Executive Remuneration Benchmarking for Senior Management. The ERCC also engaged Aon Hewitt Singapore Pte Ltd (Aon Hewitt) to provide valuation and vesting computation for grants awarded under the Singtel Performance Share Plan 2012. Willis Towers Watson, Aon Hewitt and their consultants are independent and not related to the Group or any of its Directors.

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

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

REMUNERATION FRAMEWORK

Our remuneration framework is designed to incentivise executives to deliver the Group's strategic priorities and enhance shareholder value over the short, medium and long term.

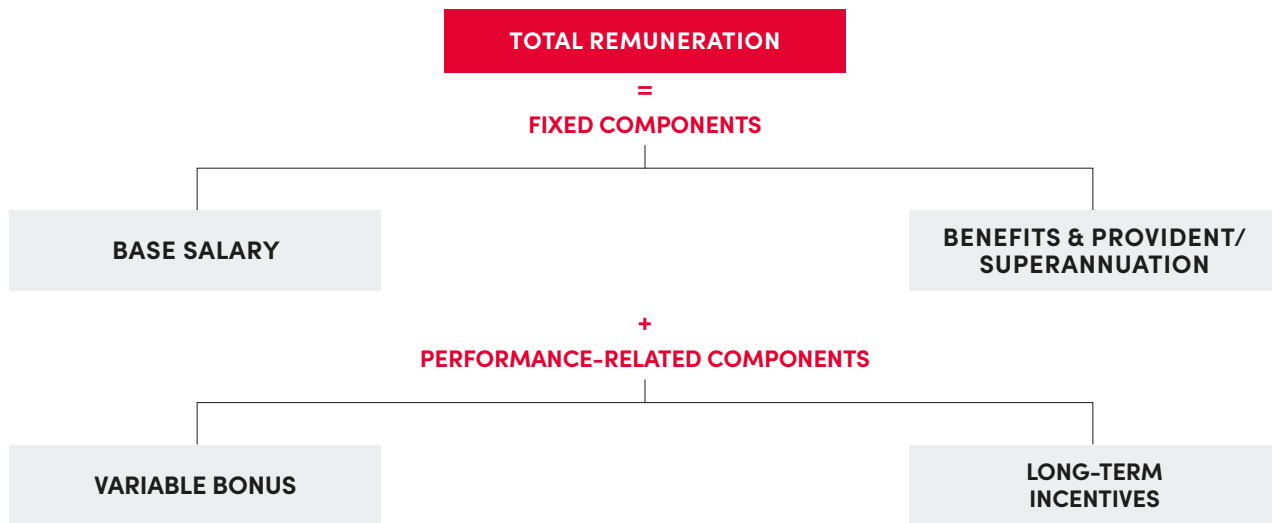
Balanced Scorecard

We use a balanced scorecard approach to measure how successful we are in serving stakeholders and executing

our long-term strategy. Our scorecard comprises key performance indicators (KPIs) in four broad categories: Financial, Strategy, Operational and People. These KPIs are aligned to the objectives of our Annual Operating Plan and longer-term strategy plan, which are discussed and approved by the Board. Weightings are allocated to the KPIs for each Senior Management to ensure a balanced approach in assessing individual's performance and determining the appropriate remuneration.

Remuneration Components

Our total remuneration provides an appropriate balance between fixed and performance-related components. The remuneration structure is such that the percentage of the performance-related components increases for the more senior levels to reflect their greater accountabilities and impact on business performance. The key remuneration components for Senior Management are indicated in the following diagram and tables.



Corporate Governance

Fixed Components

BASE SALARY

Purpose and Linkage to Performance Reflects the market worth of the job and considers the responsibilities, competencies and experience of the individual. Linked to each executive's sustained long-term performance.

Policy Approved by the Board based on ERCC's recommendation and reviewed annually against:

- Peers of similar financial size and complexity to the Group
- Pay and conditions across the Group
- 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.

For 2020, Singtel has implemented a wage freeze across the company, except for operational and support staff, to conserve financial headroom to cope with the unprecedented uncertainties.

BENEFITS & PROVIDENT/SUPERANNUATION FUND

Purpose and Linkage to Performance Provisions are in line with local market practices and legislative requirements, and not directly linked to performance.

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-Related Components

VARIABLE BONUS

Variable bonuses comprise Performance Bonus and Value Sharing Bonus. In determining the final variable bonus payments, the ERCC considers the overall Group, business unit and individual performance as well as relevant market remuneration benchmarks.

PERFORMANCE BONUS (PB)

Purpose Reward short-term performance against annual targets set in the balanced scorecard (Financial, Strategy, Operational and People KPIs) for each executive.

Award Type Cash bonus

Linkage to Performance Annual payout that will vary based on actual achievement against Group, business unit and individual performance targets.

Participants All employees

VALUE SHARING BONUS (VSB)

Purpose	Defer Senior Management's bonuses over a time horizon to ensure alignment with sustainable value creation for shareholders over the medium term.
Award Type	Cash bonus
Linkage to Performance	Tied to the Economic Profit (EP) performance of the Group
Participants	Senior Management
Vesting Mechanism and Schedule	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.

LONG-TERM INCENTIVES

Long-term incentives comprise Restricted Share Award (RSA) and Performance Share Award (PSA). These are equity awards provisionally granted to Senior Management based on performance at the end of each financial year at the discretion of the ERCC. A significant portion of the remuneration 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 towards PSA for more senior executives to increase focus on shareholder returns.

LONG-TERM INCENTIVES (LTI)

Purpose	Reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent.	
Award Type	2020 Restricted Share Award (RSA)	2020 Performance Share Award (PSA)
Linkage to Performance	Individual Performance	Group and Individual Performance PSA performance conditions are key drivers of shareholder value creation and aligned to the Group's business objectives
Participants	Broader group of executives	Senior and Top Management
Vesting Mechanism and Schedule	Time-based schedule and subject to individual's performance. 50% of the RSA will vest two years from grant date and remaining 50% will vest three years from grant date, subject to the following conditions: <ul style="list-style-type: none"> Continued employment with the Singtel Group Maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting 	Over a three-year performance period. <ul style="list-style-type: none"> Singtel Group's Absolute Total Shareholder Return achieved against predetermined targets (60%) Singtel Group's Reported NPAT achieved against predetermined targets (20%) Environmental, Social and Governance indicators against predetermined targets (20%)

Corporate Governance

Policy and Governance

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

Minimum Shareholding Requirement

To further strengthen alignment with shareholders, Senior Management are required to build up and retain at least the equivalent of two times their annual base salary in shares. Group CEO is expected to hold at least the equivalent of three times her annual base salary as shareholding.

Treatment of Awards on Cessation of Employment

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 concurrence 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.

LONG-TERM INCENTIVES VESTING OUTCOMES FOR THE YEAR

For the financial year ended 31 March 2020, the overall vesting outcome for 2017 PSA is 0% as the performance hurdles were not met. Details of the 2017 PSA vesting conditions and outcomes are outlined in the table below.

2017 PSA Performance Period: 1 April 2017 to 31 March 2020		
KPI Vesting Conditions	Weighting	Vesting Outcome %
Singtel Group's Relative Total Shareholder Return (Relative TSR) – Percentile ranking against the telco component stocks of the MSCI Asia Pacific Communication Services Index	50%	0%
Singtel Group's Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets	50%	0%
Overall outcome:		0%

Remuneration for Key Management

Remuneration of Key Management

For the financial year ended 31 March 2020, 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 2020:

Name		Fixed Remuneration (S\$) ⁽¹⁾	Variable Bonus (S\$) ⁽²⁾	Provident Fund (S\$) ⁽³⁾	Benefits (S\$) ⁽⁴⁾	Total Cash & Benefits (S\$) ⁽⁵⁾
Chua Sock Koong	Earned	1,647,096	1,366,562	9,180	77,094	3,099,932
	Paid out		2,896,537			4,629,907

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2020 are as follows:

	Restricted Share Award (RSA) ⁽⁶⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2017 Awards	382,987	444,648	-	3-Jun-19	222,324
				1-Jun-20	222,324
2018 Awards ⁽⁷⁾⁽⁸⁾	396,550	198,275	-	1-Jun-20	198,275
				1-Jun-21	
2019 Awards ⁽⁸⁾	202,475			1-Jun-21	
				1-Jun-22	
2020 Awards ⁽⁸⁾⁽⁹⁾	230,468			1-Jun-22	
				1-Jun-23	

	Performance Share Award (PSA) ⁽⁶⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2017 Awards	831,718	-	831,718	1-Jun-20	-
2018 Awards ⁽⁸⁾	633,618			1-Jun-21	
2019 Awards ⁽⁸⁾	860,127			1-Jun-22	
2020 Awards ⁽⁸⁾⁽⁹⁾	818,567			1-Jun-23	

Notes:

⁽¹⁾ Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2020.

⁽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 pages 89 to 90. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2020. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2020.

⁽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 2020. 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 2020.

⁽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 RSA granted in 2018 will vest and be released in June 2021, subject to continued employment and meeting of performance conditions.

⁽⁸⁾ The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets or vesting conditions over the respective performance period.

⁽⁹⁾ The 2020 grants of RSA and PSA were made in June 2020 for performance for the financial year ended 31 March 2020. The per unit fair values of the RSA and PSA are S\$2.168 and S\$1.526 respectively.

Corporate Governance

Remuneration of Other Key Management

Summary compensation table for the other top five Key Management for the financial year ended 31 March 2020:

Name		Fixed Remuneration ⁽¹⁾ (S\$)	Variable Bonus ⁽²⁾ (S\$)	Provident Fund ⁽³⁾ (S\$)	Benefits ⁽⁴⁾ (S\$)	Total Cash & Benefits ⁽⁵⁾ (S\$)	Restricted Share Award (RSA) ⁽⁶⁾⁽⁹⁾ (no. of shares)	Performance Share Award (PSA) ⁽⁶⁾⁽⁹⁾ (no. of shares)
Allen Lew ⁽⁷⁾ CEO Group Strategy and Business Development	Earned		A\$558,768			A\$2,769,797		
		A\$1,569,231		9,180	A\$631,947		94,096	334,208
	Paid Out		A\$2,062,741			A\$4,273,770		
Arthur Lang CEO International	Earned		365,196	17,340	53,714	1,228,250		
		792,000	590,196			1,453,250	101,707	168,578
	Paid Out							
Bill Chang CEO Group Enterprise	Earned		417,971	17,340	63,493	1,408,800		
		909,996	1,344,647			2,335,476	111,162	394,822
	Paid Out							
Jeann Low Group Chief Corporate Officer	Earned		487,632	13,260	60,911	1,471,799		
		909,996	963,210			1,947,377	129,689	460,626
	Paid Out							
Yuen Kuan Moon CEO Consumer Singapore	Earned		557,294	17,340	62,858	1,547,488		
		909,996	1,238,421			2,228,615	148,216	526,429
	Paid Out							
Total	Earned		2,348,784	74,460	829,861	8,237,390		
	Paid Out	4,984,285	6,058,652			11,947,258	584,870	1,884,663

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2020 are as follows:

	Restricted Share Award (RSA)				
	Granted	Vested	Lapsed	Released	
	(no. of shares)	(no. of shares)	(no. of shares)	Date	(no. of shares)
2016 Awards	20,448	27,769	-	1-Feb-19	13,885
				3-Feb-20	13,884
2017 Awards	867,985	1,007,734	-	3-Jun-19	503,869
				1-Jun-20	503,865
2018 Awards ⁽⁸⁾⁽⁹⁾	999,251	499,626	-	1-Jun-20	499,626
				1-Jun-21	
2019 Awards ⁽⁹⁾	545,487		-	1-Jun-21	
				1-Jun-22	

	Performance Share Award (PSA)				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2016 Awards	90,815	–	90,815	3-Feb-20	–
2017 Awards	1,678,971	–	1,678,971	1-Jun-20	–
2018 Awards ⁽⁹⁾	1,515,104			1-Jun-21	
2019 Awards ⁽⁹⁾	2,144,513			1-Jun-22	

Notes:

- ⁽¹⁾ Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2020.
- ⁽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 pages 89 to 90. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2020. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2020.
- ⁽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 2020. 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 2020.
- ⁽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. The 2020 grants of RSA and PSA were made in June 2020 for performance for the financial year ended 31 March 2020. The per unit fair values of the RSA and PSA are S\$2.168 and S\$1.526 respectively.
- ⁽⁷⁾ All remuneration items for Allen Lew are denominated in Australian Dollar, except for his Provident Fund, which is denominated in Singapore Dollar.
- ⁽⁸⁾ The second tranche of the RSA granted in 2018 will vest and be released in June 2021, subject to continued employment and meeting of performance conditions.
- ⁽⁹⁾ The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets or vesting conditions over the respective performance period.

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the 2018 Code.

Key information on each Director in this Annual Report:

- Pages 22 to 26 – Directors' independence status, appointment dates, length of directorship, academic and professional qualifications and present and past directorships details
- Pages 66 and 78 – Directors' meeting attendance
- Pages 85 to 92 – Directors' remuneration
- Pages 261 to 268 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 30 July 2020

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Singtel Annual Report 2020
Provision 1.2 The induction, training and development provided to new and existing Directors.	Page 68
Provision 1.3 Matters that require Board approval.	Page 67
Provision 1.4 Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 73 to 78

Corporate Governance

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Singtel Annual Report 2020
Provision 1.5 The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	Pages 66 and 78
Provision 2.4 The board diversity and progress made towards implementing the board diversity policy, including objectives.	Page 69
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate.	Pages 72 to 73
Provision 4.4 Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	Pages 69 to 71
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	Pages 22 to 26 and Page 72
Provision 5.2 How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its Directors.	Page 73
Provision 6.4 The Company discloses the engagement of any remuneration consultants and their independence.	Page 87
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.	Pages 87 to 91
Provision 8.1 The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.	For the CEO and management: Pages 87 to 94 For non-executive Directors: Pages 85 to 87

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Singtel Annual Report 2020
<p>Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The disclosure states clearly the employee’s relationship with the relevant director or the CEO or substantial shareholder.</p>	Page 86
<p>Provision 8.3 The Company discloses all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, and also discloses details of employee share schemes.</p>	<p>For non-executive Directors: Pages 85 to 87</p> <p>For key management personnel: Pages 92 to 94</p> <p>For employee share schemes: Pages 90 to 94</p>
<p>Provision 9.2 Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give true and fair view of the Company’s operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company’s risk management and internal control systems.</p>	Page 81
<p>Provision 11.3 Directors’ attendance at general meetings of shareholders held during the financial year.</p>	Page 66
<p>Provision 12.1 The steps taken to solicit and understand the views of shareholders.</p>	Pages 81 to 83 and Pages 97 to 98
<p>Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.</p>	Page 83 and Pages 111 to 117

Investor Relations



Strive for clear, open and accurate disclosures to help investors make informed and timely decisions about their Singtel securities



Promote regular two-way investor communication through different touch points and forums



Maintain leadership and set the bar for corporate governance and sustainability standards

PROACTIVE AND OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

During the financial year ended 31 March 2020, the management and Investor Relations (IR) team engaged more than 500 investors in over 160 meetings and conference calls to discuss the Group's business strategy and operational and financial performance. We also participated in local and overseas investor conferences and roadshows in Europe, Canada, Malaysia and the US.

A key focus of the year's investor communications programme was to help investors understand the progress made in the digitalisation of our operations and in growing new revenue streams. Management from our digital marketing, cyber security and payment businesses presented their strategies and initiatives. We also continued to organise tours of our business facilities, including our FutureNow Innovation Centre and the newly launched UNBOXED, Singapore's first unmanned retail pop-up store.

The annual Singtel Investor Day attracted over 70 participants, who appreciated the opportunity to interact directly with the senior

management of Singtel, Optus and our regional associates. Participants also gained first-hand experience of our digital services through demos of our mobile financial services, IoT solutions and customer service bots.

Retail investors are an important part of our outreach efforts. We have been a long-term sponsor of the Securities Investors Association (Singapore) (SIAS) Investor Education Programme and the annual Singtel-SIAS dialogue provides a regular platform for us to communicate our strategy and performance with retail shareholders. Retail investors are welcome to contact us directly through email or telephone.

Despite the COVID-19 situation, we have not stopped our active engagement with investors. We continue to maintain contact with them using video and audio conferencing facilities.

MAINTAIN LEAD IN CORPORATE GOVERNANCE, TRANSPARENCY AND INVESTOR RELATIONS

We continue to nurture and maintain strong links with sell-side research analysts and are well-covered by more than 20 analysts, based in Singapore, Malaysia, Hong Kong,

India and the UK, who issue regular reports. We monitor analyst, industry and media reports closely, as part of our efforts to continuously improve disclosures and IR practices.

Each year, we commission an independent study on investor perceptions of our businesses. The study, comprising in-depth interviews with approximately 70 institutional investors and research analysts, gives our Board and management a better understanding of investors' views and concerns. It also helps the IR team identify areas of investor focus, enabling us to tailor our communications and disclosures accordingly. The latest study highlighted investors' concerns over the challenging market conditions in Singapore and Australia although this was partly alleviated by our regional associates' improved competitive positions in their respective markets. Respondents also paid greater attention to the Group's capital allocation and balance sheet, which have supported Singtel's strong dividend payouts.

Good corporate governance also plays a vital role in shaping investor perception of the integrity, transparency, accountability and

efficiency of a company. We keep abreast of the latest developments and benchmark ourselves against best practices in key areas such as disclosure, board structure, shareholder rights and remuneration.

We proactively engage investors to understand their views on sustainability and how it influences their investment decisions. We provide disclosures on our sustainability initiatives and help investors understand our material issues, policies and efforts in areas such as the environment and climate change, data protection, supply chain, social matters and human rights. We have endorsed the Task Force on Climate-related Financial Disclosures' voluntary framework and are working towards meeting its standards.

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

During our earnings announcements, we provide extensive information, including detailed financial statements, management discussion and analyses and presentation slides. Our management responds to questions from investors and analysts

over a conference call on the day of the results announcement and a transcript of the conference call is posted on the Singtel IR website the next work day.

SHAREHOLDER INFORMATION

As at 31 March 2020, Temasek Holdings (Private) Limited remained our largest shareholder, with 53% of issued share capital. Other Singapore shareholders held approximately 12%. In terms of geographical distribution, the US/Canada and Europe accounted for approximately 11% and 9% of issued shares respectively.

IR CALENDAR OF EVENTS

May 2019

- Non-deal Equity Roadshows, Singapore, Europe and North America

June 2019

- Singtel Investor Day, Singapore

July 2019

- 27th Annual General Meeting, Singapore

August 2019

- Non-deal Equity Roadshows, Singapore and Malaysia

November 2019

- Non-deal Equity Roadshows, Singapore and the UK
- Citi Access Day, Singapore

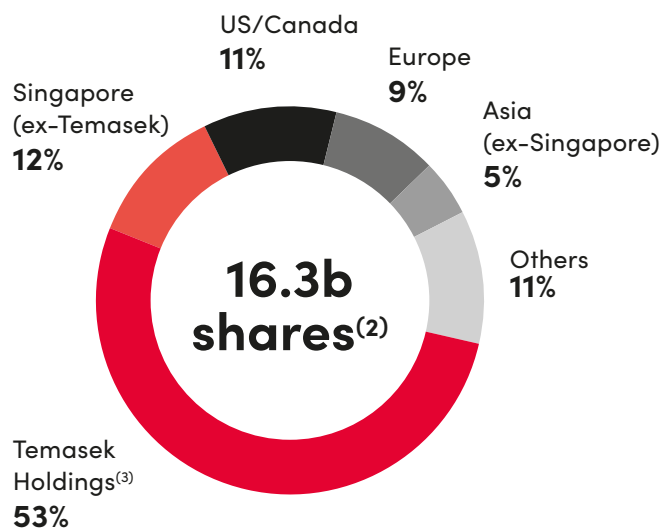
February 2020

- Non-deal Equity Roadshow, Singapore

May 2020

- Non-deal Equity Roadshows, Singapore, Europe and North America

SHARE OWNERSHIP BY GEOGRAPHY⁽¹⁾



Notes:

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

⁽²⁾ As at 31 March 2020.

⁽³⁾ Includes direct and deemed interest.

Risk Management Philosophy and Approach

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

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

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

Governance Structure for Managing Risks

THE BOARD

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

RISK COMMITTEE

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

AUDIT COMMITTEE

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

MANAGEMENT COMMITTEE

- Implements risk management practices within all business units and functions

RISK MANAGEMENT COMMITTEE

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

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 productive 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 the Pacific through our regional associates. We will continue to pursue business expansion in the emerging markets, including acquiring controlling stakes in the associates, and actively managing the risks.
- The Group is prepared to take measured risks to seek new growth in the digital space by providing global platforms and enablers, targeted at a global footprint, while leveraging our current scale and core strengths.
- The Group targets an investment grade credit rating and dividend payout policy consistent with our stated dividend policy and guidance.

Risk Management

We have established a rigorous and systematic risk review process to identify, monitor, manage and report risks throughout the organisation based on our risk philosophy. Management has the primary responsibility for identifying, managing and reporting to the Board the key risks faced by the Group. Management is also responsible for ensuring that the risk management

framework is effectively implemented within the business units. The business units are supported by specialised functions such as Regulatory, Legal, Tax, Cyber Resilience, Environment and Sustainability, Insurance, Treasury and Credit Management in the management of risks. In addition, through stakeholder engagement and materiality assessments, we regularly

review and assess the environmental, social and governance (ESG) risks that exist or emerge in our broader value chain, and we address them with various corporate sustainability initiatives. Our corporate sustainability initiatives are discussed further on page 111 and in our Group Sustainability Report.

Risk Management Philosophy and Approach

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

Singtel's Internal Audit (IA) carries out reviews and internal control advisory activities aligned to the key risks in our businesses. This provides independent assurance to the Audit Committee (AC) on the adequacy and effectiveness of our risk management, financial reporting processes, and internal control and compliance systems.

In order to provide assurance to the Board, the CEOs of our business units submit an annual report on the key risks and mitigation strategies for their respective businesses to the Risk Committee. Our Group CEO

and Group CFO, with assurance from the Management Committee members, provide an annual 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.

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 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 to ensure 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 exposure 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.

- Pandemic Risks/COVID-19
- Economic Risks
- Political Risks
- Regulatory and Litigation Risks
- Competitive Risks
- Expansion Risks
- Project Risks
- New Business Risks
- Technology Risks
- Vendor/Supply Chain Risks
- Information Technology Risks
- Data Protection and Privacy Risks
- Cyber Security Risks
- Network Failure and Catastrophic Risks
- Financial Risks
- Talent Management Risks
- Electromagnetic Energy Risks
- Climate Change Risks

PANDEMIC RISKS/COVID-19

The Group could be adversely impacted by global pandemics, and the Group's business and operations have been affected by the unprecedented disruption caused by the COVID-19 pandemic, which has shaken governments, health systems, economies and societies around the world. Since its outbreak, COVID-19 has spread with alarming speed across various countries and territories, and resulted in a significant number of infections and fatalities. The economic consequences of the outbreak are yet to

unfold although governments in many countries are implementing budgetary interventions and economic stimulus programmes. The outbreak of such infectious diseases together with the restrictions on travel and imposition of quarantine and/or lockdown measures may have an adverse effect on various aspects of our business and operations, impacting mobile roaming revenue and business continuity. The disruptions of such pandemic outbreaks to global supply chains of network systems, equipment, handsets, devices and content, could impact or lead to delays in the deployment, installation, upgrading, operation and maintenance of network infrastructure, and/or delivery of equipment, handsets, devices and content. The imposition of movement restriction measures on a nationwide or at a city level in the countries that we operate in, could lead to access and workforce constraints and impede our ability to operate and serve our customers, resulting in deterioration in service levels and/or quality, delays to projects and deliverables to customers, inability to meet contractual obligations and/or failure to comply with regulatory requirements. Such measures could significantly dampen both consumer and enterprise spending, and adversely affect revenues. Decline in revenues and delay in payments or non-payments from customers' default may lead to funding constraints for the Group.

A prolonged and widespread pandemic outbreak may result in a global recession with severe impact to various sectors such as telecommunication, aviation, travel, retail, tourism, auto, manufacturing and oil and gas; reduced investment and spending; and severe unemployment. An economic downturn of this scale, coupled with the uncertainties around disruption to business models posed by technology,

changes in enterprise and consumer behaviours, and government and regulatory actions, may pose significant challenges to the management of capital investments, working capital and business changes.

As the COVID-19 situation develops, the consequences of the COVID-19 outbreak or any future outbreak of infectious disease are unpredictable and there can be no assurance that any precautionary or other measures taken against such infectious diseases would be effective. The effectiveness of the measures adopted by various governments in response to the COVID-19 outbreak and the extent to which these can mitigate the adverse economic impacts from the pandemic remain uncertain. There can be no assurance that the business environment and/or customer demand will fully recover post-COVID. However, we will continue to monitor the impact on our business, financial condition, results of operations and prospects, and institute the necessary measures to protect the health and safety of our workforce, and to mitigate the risks to our business. We will also plan and adjust our strategies to adapt to the post-COVID scenario, as telecommuting and digitalisation accelerate, and telecommunications infrastructure becomes even more critical.

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. Global headwinds such as trade tensions and the COVID-19 pandemic outbreak have resulted in significant uncertainty in the

macroeconomic environment and this could have an adverse effect on our overall Group strategy and growth.

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

Our planning and management review processes involve keeping abreast of the economic and market developments and periodic monitoring of budgets and expenditures to optimise the allocation of capital among the various businesses in our Group. Each of the business units in our Group has continuing cost management and transformation programmes to drive improvements in their cost structures and/or changes in their business model.

POLITICAL RISKS

Our business is geographically diversified with operations in Singapore, Australia and the emerging markets. Some of the countries in which we operate have experienced or continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on economic or social conditions in those countries, as well as on the ownership, control and condition of our assets in those areas.

We work closely with the Management and our partners in the countries where we operate, to leverage the local expertise, knowledge and ability to manage the local and socio-economic conditions and risks.

Risk Management Philosophy and Approach

This way, we ensure compliance with the laws and are better able to implement risk mitigation measures.

As our Enterprise and Digital Life businesses expand their business operations across the region and around the world, exposure to similar political and socio-economic risks may increase in the future.

REGULATORY AND LITIGATION RISKS

Regulatory Risks

Our businesses depend on licences issued by government authorities. Failure to meet regulatory requirements could result in fines or other sanctions including ultimately, the revocation of licences. Our 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. Furthermore, judicial developments in various jurisdictions can be unpredictable. Any of these factors can materially and adversely affect our overseas investments.

Consumer Australia, Consumer Singapore and Group Enterprise are impacted by the implementation of national broadband networks in both Australia and Singapore.

In Singapore, the Infocomm Media Development Authority (IMDA) has, in its implementation of the Next Generation Nationwide Broadband Network (Next Gen NBN), designed a structure to level the playing field to make the benefits of the Next Gen NBN available to all industry players. This Next Gen NBN structure has significantly altered the existing cost model of the industry and increased the level of competition in the broadband market.

In Australia, the government has implemented a significant reform of the fixed line telecommunications sector, including the rollout of a national broadband network by the government-owned entity, NBN Co, operated on a wholesale-only open access basis. It is possible that the Australian government's policy decisions relating to the national broadband network or commercial decisions taken by NBN Co could ultimately lead to a sub-optimal or negative outcome for Optus.

Our operations are also subject to various other laws and regulations such as those relating to customer data privacy and protection, payment services and anti-money laundering, anti-bribery and corruption, workplace safety and health, public order and safety, cyber security, online falsehoods and national security. The regulatory landscape for the media and telecommunications industry has seen changes with recent developments applicable to cyber security and consumer protection. These changes, together with increasing scrutiny and regulators inclined to strong enforcement actions, may lead to additional compliance costs to the business. Failure to meet regulations may adversely affect our businesses.

In Australia, the government has adopted security legislation and made decisions which have affected the industry. In particular, equipment vendors from countries with certain legal structures or power have been excluded from participating in the supply of equipment for 5G infrastructure.

We have access to appropriate regulatory expertise and staffing resources in Singapore and Australia and we work closely with the various stakeholders and our partners in the countries we operate in. We monitor new developments closely and participate regularly 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. In addition to instituting measures and processes to ensure regulatory compliances, we conduct training and refresher sessions for staff and management.

Access to Spectrum

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

Taxation Risks

Our Group has operations across a large number of jurisdictions, and we are subject to the tax regulations, or changes in regulations, in the

respective jurisdictions in which we operate. The tax legislations or changes may increase our compliance obligations and business costs.

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

Litigation Risks

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

We have put in place master supply agreements with key vendors, master services agreements with key customers, and implemented contract policies to manage contractual arrangements with our vendors and customers. The policies also set out the necessary risk empowerment framework and principles for the Management Committee, CEOs, and Management to approve deviations from the standard terms.

COMPETITIVE RISKS

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

Group Consumer Business

The telecommunications market in Singapore is highly competitive. As competition further intensifies with the entry of a fourth mobile network operator and mobile virtual

network operators (MVNOs), industry revenue may decrease further and our market share may decline. Singapore's Next Gen NBN allows Retail Service Providers (RSPs) equal and open access to Netlink Trust's fibre network and in turn, has increased competitive pressure in fixed broadband and home services.

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

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

Our business models and profits are also challenged by disintermediation

in the telecommunications industry by handset providers and other digital service providers and non-traditional telecommunications service providers, including social media networks and over-the-top (OTT) players which provide multimedia and video content, applications and services directly on demand.

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

Group Enterprise Business

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

Group Enterprise continues to focus on offering companies

Risk Management Philosophy and Approach

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 digital solutions for smart cities and enterprises.

Group Digital Life Business

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

Group Digital Life aspires to become a significant global player in these areas by delivering distinctive products and services in the target markets and launching them quickly to capture market share. We will continue to scale our digital businesses, leveraging our valuable assets, such as extensive customer knowledge, touch points, intelligent networks and 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 core communications and new digital services. This comes with considerable risks.

Partnership Relations

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

Acquisition Risks

We continually look for investment opportunities that can contribute to

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

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

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

PROJECT RISKS

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

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

Group Enterprise is a major IT service provider to governments and large enterprises in the region. We face potential project execution risks such as effort estimation or technical complexities which can result in cost overruns, project delays and losses.

We have a risk management framework in place for systematic assessment, monitoring and reporting of project risks. Risk profiling of the projects is performed from bid qualification and participation and reviewed throughout project execution. This is to ensure that appropriate attention and quality assurance and focus are given by management to high risk 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 5G, regional premium OTT video, mobile payment and remittance services, gaming and 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 and gain market share, and these businesses may require substantial capital,

new expertise, considerable process or system changes, as well as organisational, cultural and mindset changes. These businesses may also expose us to regulatory and IT security risks, along with the risks associated with industries like cyber security, media, online content, such as media regulation, brand safety, intellectual property infringement, content rights disputes, online falsehood, and data protection regulations and legislation.

As new businesses place new demands on people, processes and systems, we respond by continually updating our organisation structure, talent management and development programmes, reviewing our policies and processes, and investing in new technologies to meet changing needs. We will constantly stay abreast of new trends and build strategic partnerships with market players to stay competitive.

5G Risks

In Singapore, IMDA has announced Singtel Mobile Singapore Pte Ltd as one of the winners of its 5G Call-For-Proposal and will allocate radio frequency spectrum for us to deploy nationwide 5G networks. In Australia, new spectrum licences for the 26GHz band are likely to be auctioned in late 2020. Failure to acquire the licences in Australia could have an adverse effect on our core communications business and our competitiveness. The business case for investment in 5G network and related systems has risks of uncertainty and may be earnings dilutive. There may also be a long payback period as 5G use cases and revenue and monetisation opportunities are not yet fully developed. The existing high quality 4G networks may also limit the perceived value of 5G and impact its monetisation potential.

In addition, the Australian government has implemented security legislation to

restrict vendors from certain countries from participating in the supply of 5G network equipment to mobile network operators. This limits the available vendor sources and may lead to higher investment costs.

With 5G, as with the deployment of our various networks, we will continue to monitor health and safety concerns around exposure to electromagnetic energy emissions (EME), ensure full compliance with government mandated standards and institute the necessary precautionary measures to safeguard the health and safety of the public and our customers.

Digital Banking Risks

In June 2019, the Monetary Authority of Singapore (MAS) announced that it will issue up to two digital full bank (DFB) licences and three digital wholesale bank (DWB) licences. The digital bank licences will allow companies (including non-bank players) to conduct digital banking businesses in Singapore and this marks a new chapter in the liberalisation of Singapore's banking industry. We have formed a consortium with Grab Holdings Inc. to apply for a DFB licence, which will allow the digital bank to take deposits from and provide banking services to retail and non-retail customer segments.

Should our consortium be awarded the licence, there is no assurance that the consortium will be successful in its digital banking venture. The digital bank requires substantial capital outlay and could be subjected to investment and/or financial losses arising from failure to scale and acquire customers and/or the failure to manage the various risk exposure related to the digital banking business, including credit risks, market risks, liquidity risks, technology risks and/or other operational risks. The business is also exposed to the regulatory risks associated with the banking industry,

including compliance with existing and/or new laws and regulations, and associated increased cost of compliance. The digital bank may not be able to attract, integrate and retain the right talent with the appropriate skillsets and expertise to develop and/or execute the bank's business strategies and plans, or effectively manage risks arising from the bank's activities. The digital bank may lose its licence to continue operations if its financial performance does not meet expectations or deteriorates. There could also be a misalignment of interests, goals and cultures between the members of the consortium, and/or with the management of the digital bank, resulting in an inability to resolve disputes in an effective and timely manner.

We will collaborate with our partners and the digital bank to drive synergies from the combined strengths, digital assets and know-how, and other resources of the Group and partners. We will have appropriate board representation and shareholders' agreement to ensure governance and rights protection and oversee the establishment of sound risk management principles, policies and procedures and sustainable business practices.

TECHNOLOGY RISKS

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

Risk Management Philosophy and Approach

The rapid advancements in wireless communications and new digital technologies such as 5G, AI, Application Programming Interfaces, cloud and blockchain are driving the development of entirely new ecosystems and business models. This may leave us with infrastructure and systems that are technically obsolete before the end of their expected useful life and may require us to replace and upgrade our network and systems to remain competitive, and as a result, incur additional capital expenditure.

On the other hand, these changes also present opportunities for us to build upon our connectivity advantage, depending on our ability to apply these technologies to relevant services. In the emerging markets in which our associates operate, regulatory practices, including spectrum availability, may also not necessarily synchronise with the technology progression path and the market demand for new technologies.

Each business unit faces the ongoing risk of market entry by new operators and service providers (including non-telecommunications players) that, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. Our business may also incur substantial development expenditure to gain access to related or enabling technologies to pursue new growth opportunities in the business, e.g. the ICT industry. The challenge is to modify our existing infrastructure and processes in a timely and cost-effective manner to facilitate such implementation, failing which, this could adversely affect our quality of service, financial condition and operational performance.

We continue to invest in upgrading, modernising through digital transformation initiatives and equipping our people and systems with new capabilities to ensure we are able to deliver innovative and relevant services to our customers.

VENDOR/SUPPLY CHAIN RISKS

We rely on third-party vendors and service providers and their extended supply chain in many aspects of our business for various purposes, including, but not limited to, the construction, operations and maintenance of our network, the supply of handsets and equipment, systems and application development services, customer service operations, content provision and customer acquisition. Accordingly, our operations and reputation may be affected by third-party vendors or their supply chains failing to perform their obligations or failing to operate in line with increased expectations of key stakeholders such as government, regulators and customers on a broadening set of ESG issues. In addition, the industry is dominated by a few key vendors for such services, handsets and equipment. Any severe delays, failure or refusal by a key vendor to provide such services, handsets or equipment arising from disruptions caused by global pandemics including the COVID-19 situation, government-imposed bans on vendors and/or sanctions due to security and other concerns, or any consolidation of the industry, may significantly affect our business and operations.

We monitor new legislation introduced such as the recent Australian Modern Slavery Act, as well as the developments and restrictions by

governments and regulators on various vendors to ensure our key vendors comply with the relevant laws and regulations. We also monitor our relationships with key vendors closely and develop new relationships to mitigate supply risks. We have in place a Sustainable Supply Chain Management strategy and approach, including a Supplier Code of Conduct, which is regularly updated to manage risks that may exist in our supply chain (Refer to the Singtel Group Sustainability Report for more details on how we address these risks and issues).

INFORMATION TECHNOLOGY RISKS

Our businesses and operations rely heavily on information technology and we have established the Cyber Security Resiliency Committee to provide oversight of all IT and network security risks, including cyber security threats and data privacy breaches. The committee is chaired by CEO, Group Enterprise and comprises senior members from the businesses, various IT and network domains, and meets on a regular basis. The committee develops appropriate policies and frameworks to ensure information system security, reviews the projects and initiatives on IT and network security, reviews IT security incidents, and establishes overall governance by performing audits and cyber security drills.

We have established a Group Cyber Security Policy for managing risks associated with information security. The policy is developed based on industry best practices and is aligned with international standards such as ISO 27001. The policy covers holistically various aspects of IT risk governance, including change management, user access management, database configuration standards and disaster

recovery planning, and provides the cornerstone for driving robust IT security controls across the Group.

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

DATA PROTECTION AND PRIVACY RISKS

We seek to protect the data privacy of our customers in our networks and systems. Significant failure of security measures or lapses in established processes may undermine customer confidence and result in litigation actions from customers and/or regulatory fines and penalties. We may also be subject to the imposition of additional regulatory measures relating to the security and privacy of customer data, which may impact the way we conduct our business and/or market our products and services to customers.

Regulators in various countries have strengthened existing legislation and introduced new laws to protect consumer privacy. In Australia, regulators are increasingly active in enforcing existing laws and are examining options to extend these laws to address public concern over data breaches and the activities of social media platforms. In the United States, regulators in California have implemented new legislation governing consumer data and privacy.

We continue to ensure data privacy by protecting the personal data of our customers and staff. We also ensure compliance with applicable privacy laws, and perform regular reviews in

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

CYBER SECURITY RISKS

The scale and level of sophistication of cyber security threats has increased with the changing tactics and tools by cyber attackers, ranging from terrorist attacks, state-sponsored hacking, black-hat hacking or even internal threats and ransomware. As our business is heavily dependent on the resiliency of our network infrastructure, and supporting systems, we are exposed to cyber security threats which can result in disruptions to our network and services provided to customers, and leakage of sensitive and/or confidential information. The exposure is further intensified with the growing dependency on connectivity and smart devices by our customers, and can lead to impact on our reputation, litigation actions from customers and/or regulatory fines and penalties.

Group Enterprise is growing our cyber security business globally. The failure to keep up with and counteract increasing cyber security threats can materially and adversely affect our reputation, cyber security business and growth strategy.

We adopt a holistic approach in managing and addressing risks of cyber threats and attacks by keeping abreast of the threat landscape and business environment as well as

implementing a multi-layered security framework to ensure there are relevant preventive, detective and recovery measures. This includes training our people to adopt a security-first mindset and security by design principle, being vigilant to existing and new cyber threats, deploying the tools and resources to mitigate risks and ensuring compliance reviews on third-party service providers are conducted.

We have been building our capabilities organically, as well as partnerships with best-of-breed technology partners. We have approximately 1,800 cyber security professionals, global security operations and engineering centres and a specialised team of ethical hackers and forensic experts assisting the businesses to manage vulnerabilities and threats, achieve regulatory compliance and implement secure solutions. The Group's Cyber Security Institute conducts regular training programmes to enhance the cyber security skills and preparedness of our staff as well as our customers, including businesses and governments in the Asia Pacific. The Group also invested in a research and development lab to drive innovation in this area.

NETWORK FAILURE AND CATASTROPHIC RISKS

The telecommunications industry faces a continuous challenge of providing fast, secure and reliable networks to an increasingly digital and connected world. The provision of our services depends on the quality, stability, resilience and robustness of our networks and systems. We face the risk of malfunction of, loss of, or damage to, network infrastructure from natural or other uncontrollable events such as acts of terrorism.

Risk Management Philosophy and Approach

Some of the countries in which we and/or our regional associates operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, fires and earthquakes. Some of these catastrophes have also increased in intensity and frequency due to climate change factors, causing prolonged and exacerbated impact on our infrastructure and operations.

In addition, other events that are/are not within our control and/or our regional associates' control, such as fire, deliberate acts of sabotage, vendor failure/negligence, pandemic shutdowns, industrial accidents, blackouts, terrorist attacks, criminal acts or large scale cyber attacks on our network and systems, 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 damages may significantly disrupt our operations, which may have a materially adverse effect on our ability to deliver services to customers. Sustained or significant disruption to our services can also significantly impact our reputation with our customers. Our inability to operate our networks or customer support systems may have a material impact on our business.

We continue to make our networks robust and resilient, and continually review our processes to prevent any network disruptions and to have an effective communication process for timely updates to our stakeholders during any incident and/or crisis. There is a defined crisis management and escalation process for our CEOs and senior management to respond to emergencies and catastrophic events. In addition to key network

infrastructure, we have business continuity plans and insurance programmes and policies in place.

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 with the unprecedented global recessionary impacts arising from the uncertainties posed by the COVID-19 situation, may heighten execution risk for funding activities and increase credit risk premiums for market participants.

We are exposed to foreign exchange fluctuations from our operations and through subsidiaries as well as associates and joint ventures operating in foreign countries. These relate to our dividend receipts and the translation of the foreign currency earnings and carrying values of our overseas operations. Additionally, a significant portion of associates and joint venture 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 239 in Note 37 to the Financial Statements.

TALENT MANAGEMENT RISKS

As we seek new avenues of growth, it is pertinent to be able to attract, develop and sustain talent with new skills and capabilities. We also identify, develop and build the next generation of leaders from both internal and

external talent pools to ensure a robust succession pipeline. The loss of some or all of our key executives or the inability to attract, build and retain key talent and leaders, 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 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 develop young, emerging and future technical and business leaders through formal learning activities, coaching and mentoring, as well as providing critical experiences such as international assignments, rotations and special projects.

Succession management is key to ensuring that the Group effectively manages the short-term and long-term risks associated with critical roles. A robust annual succession planning review by the businesses and the Management Committee, with the involvement of the Board for senior leadership roles, ensures that leadership succession plans are current and relevant to support the business strategies.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised globally about the potential exposure to EME emissions from using mobile handsets or being exposed to mobile transmission equipment. While there is no substantiated evidence of public health risks from exposure to the levels of EME typically emitted from mobile

phones, perceived health risks can be a concern for our customers, the community, and regulators. Perceived health risks in terms of environmental exposure from mobile base station equipment can impact and cause concern for the local communities on the implementation of new or upgrading of existing mobile base stations. This may impact the mobile coverage at that locality and also, our mobile business. In addition, government legislations and industry requirements may be introduced to address this perceived risk, affecting our ability to deploy the mobile communications infrastructure. These perceived health risks could result in reduced demand for mobile communications services and/or litigation actions against us.

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

CLIMATE CHANGE RISKS

Climate change is one of the key long-term global risks that has the potential to impact our operations, infrastructure and supply chain. Some of the countries in which we and/or our regional associates operate have experienced several extreme weather events, including typhoons, droughts, floods and bushfires, which have increased in intensity and frequency due to climate

change factors. Apart from physical risk, damage to our networks and disruptions to our operations, there are also other energy security and regulatory risks associated with climate change, which could result in stricter greenhouse gas emission standards, 'carbon' taxes, and/or changes in energy prices or accompanying infrastructure investments for adaptation or mitigation. To address these concerns, we have adopted a two-pronged approach, an absolute greenhouse emissions reduction goal and the adaptation of our infrastructure to continue building resilience against climate change risks.

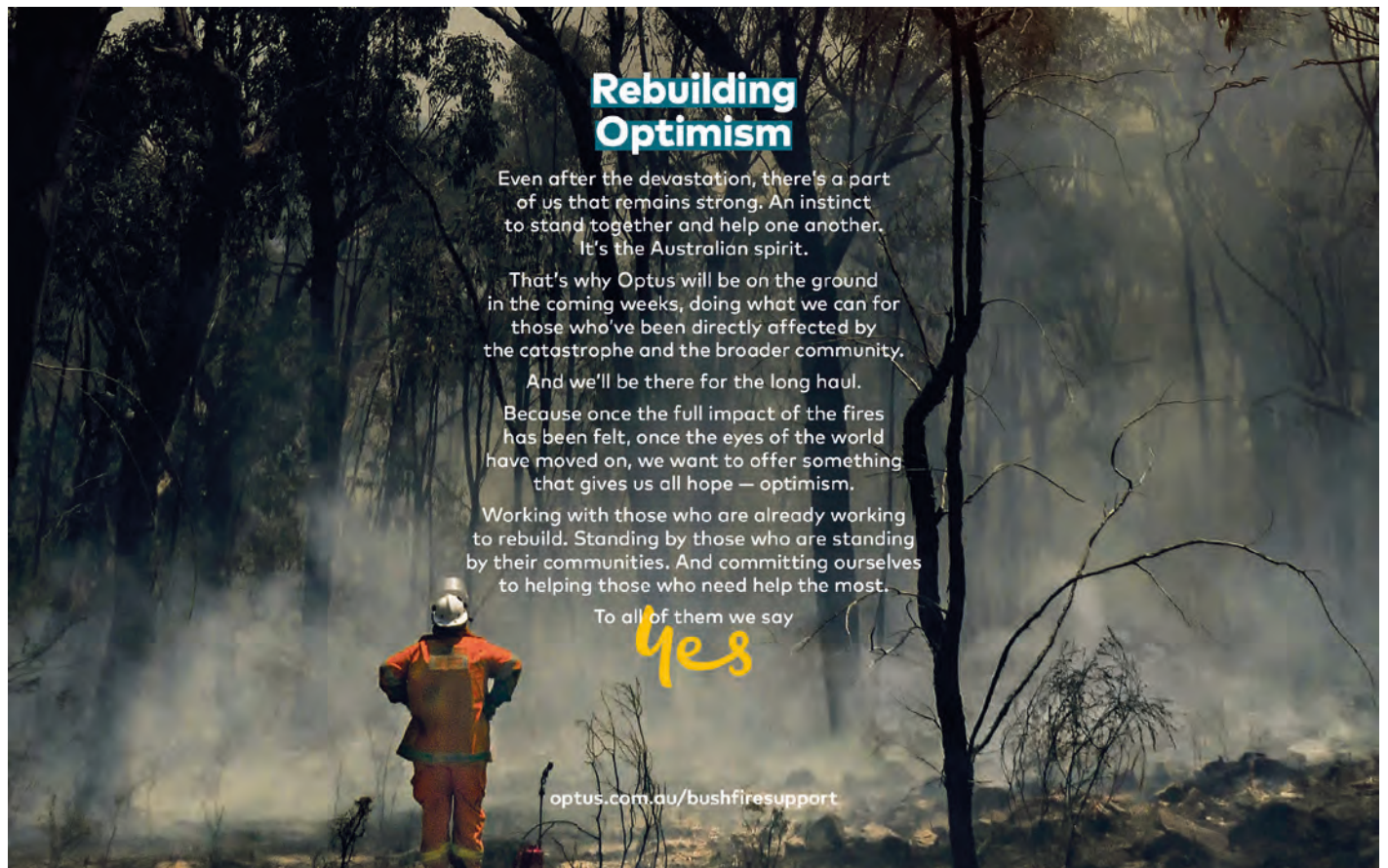
We have set absolute carbon reduction targets approved by the Science Based Target initiative in 2017 to address the continued impact of carbon and increasing temperatures. This approach progressively aligns our 2030 carbon contribution and reduction target with the agreements made at Paris COP 21 and the Intergovernmental Panel on Climate Change reports. Our aspiration is to meet the more aggressive 1.5°C target and net zero by 2050. We adapt our infrastructure design and standards progressively to long-term scenarios related to climate change, such as increased risk of inundation and stronger cyclonic activities, rising temperatures and higher frequency and severity of bushfires in Australia. We have also supported a global agreement for the ICT industry through our active participation at the GSM Association to align the efforts of this sector and we continue working with our stakeholders to prepare our disclosures on climate-related risks to align to the recommendations of the Task Force for Climate-Related Financial Disclosures.

Sustainability

The Singtel Group is committed to creating a lasting positive impact for all our stakeholders. We aim to do this by leveraging our resources and working closely with our strategic partners to build a sustainable future in four key areas: Environment, People, Community, and Marketplace and Customers.

Some of the ways we are working towards achieving these commitments include initiatives that accelerate our shift to renewable energy to make our goal of net zero emissions a reality by 2050; support vulnerable groups in our communities such as those affected by the devastating Australian bushfires last year; and develop our people by deepening their digital skills.

Reflecting the success of our efforts, we were once again recognised in areas such as governance, diversity and climate change over the past year. We were the only Asian telco named in Corporate Knights' 2020 Global 100 Most Sustainable Corporations in the World index. For our initiatives to promote inclusivity, we were included in Bloomberg's global Gender-Equality Index for the second year running. In Singapore, we were honoured with the President's Award for the Environment 2019, the highest environmental accolade in the country.



ENVIRONMENT

LEAVING THE SMALLEST FOOTPRINT

CLIMATE ACTION

We achieved carbon emissions avoidance of

3,498 tCO₂e/year

and an improvement in electricity intensity of

105 kWh/TB.



RECYCLE & REUSE

We recycled, reused and incinerated for energy recovery

84%

of waste generated within our operations.



Extreme weather events over the past year have starkly highlighted the growing reality and urgency of climate change. We have made concerted efforts in recent years to minimise our environmental impact and build operational resilience to the effects of climate change for our business and communities by focusing on climate action and product stewardship.

For our dedication to climate action, carbon emissions reduction and engagement of the wider community on sustainability, Singtel won the President's Award for the Environment 2019, Singapore's highest environmental accolade.

RALLYING FOR CLIMATE ACTION AND ADAPTATION

Recognising the urgency of the climate emergency, we want to take the lead in charting a course to tackle this global issue. In July 2019, Singtel was the only Southeast Asian firm in a pioneering group of 28 global companies to commit to keeping global temperature increase within 1.5°C above pre-industrial levels and reaching net zero emissions by 2050. Reducing emissions involves accelerating our use of renewable energy, such as the installation

of a 1.65 MWp solar panel system on NCS Bedok data centre's rooftop.

In the area of climate adaptation, we continue to play an active role in the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR), working to ensure that communities across Australia are better able to prepare for, respond to and recover from disasters triggered by natural hazards such as the recent bushfires. Together with ABR members, we kickstarted the development of a Resilience Index Priority Initiative to improve decision-making that prioritises the future prosperity and safety of our communities.

To help communities rebuild following the devastating bushfires in Australia in 2019, we supported volunteer firefighters' mobile services and set up the Green Shoots grants programme to help small businesses in affected areas restore connectivity.

REDUCING WASTE THROUGH RECYCLING

We are committed to resource conservation and reducing pollution by recovering and recycling e-waste through our e-waste recycling

initiatives ReCYCLE in Singapore and Mobile Muster in Australia.

Our next step is to reduce our packaging wherever possible. Sustainable packaging helps lower our carbon footprint and environmental impact on our value chain, from resource utilisation to product packaging and all the way to their waste streams.

In Australia, we consolidated our sustainable packaging strategy into 10 targets for 2019-2021 and aligned them with the National Packaging Waste targets to make all packaging 100% reusable, recyclable or compostable by 2025. As part of this journey, all components that make packaging unrecyclable have been removed from our products. We received an Australian Packaging Covenant Organisation Award for the third consecutive year in recognition of Optus' sustainable packaging achievements.

Sustainability

PEOPLE

BUILDING OUR CAPABILITIES FOR THE FUTURE

UPSKILLING OUR STAFF

We invested more than

\$22m in staff training,

clocking an average of

32.7 hours per person



for our **19,800** employees in Singapore and Australia.

GENDER DIVERSITY IN MANAGEMENT

28%



of female employees in middle and top management.

Our people are our most important asset, and we strive to equip them with the digital skills needed to support the Group's business priorities and thrive in today's fast-changing economy. We advocate continuous learning among our employees by investing in their development.

INVESTING IN OUR STAFF FOR A DIGITAL FUTURE

In September 2019, we announced that we would invest S\$45 million over three years to deepen the digital skills of employees in Singapore. Dubbed ACT, the initiative aims to Accelerate employees' learning and skills development, empower them to Co-create their skills pathways, and Transform employee roles to ensure that they remain relevant. We launched a learning app called #CURIOUS, featuring learning channels with over 100,000 courses and videos, enabling staff to develop new competencies in fields such as analytics.

Our investments in our people have paid off. Close to 800 employees in Singapore and Australia have undergone skills conversion to take on new roles.

Besides upskilling our workforce, developing young talent is also a crucial part of our strategy to build Singtel's

future capabilities amid the global competition for talent. We placed 724 students in our scholarship and internship programmes and hired another 70 students for our Management Associate and Optus Graduate programmes in the past year. In particular, we have stepped up efforts to increase the proportion of students specialising in technology-related fields in order to nurture more young talent with digital skills.

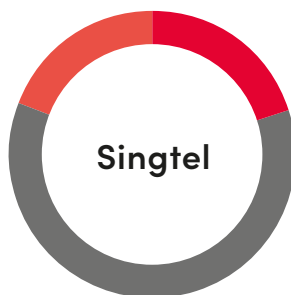
EMBRACING DIVERSITY

We are committed to promoting diversity in our workplace. A culture of diversity and inclusion is essential to staying relevant to our stakeholders as it offers a range of viewpoints and improves our creativity and overall performance.

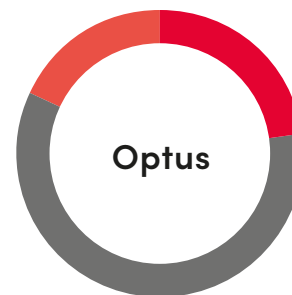
In Singapore, women represent a third of staff and 40% of our board. We established Gender Diversity Councils in Singapore and Australia with senior leadership representation to drive greater progress towards gender balance. In Australia, we became a Workplace Gender Equality Agency Pay Equity Ambassador, committing to the pay equity pledge to promote and improve gender equality.

For the second year running, we were one of five Singapore companies to be recognised in the Bloomberg Gender-Equality Index for advancing gender equality. We were also named one of the top 10 employers for Gender Diversity at the Leonie Awards 2019 and were included in the Refinitiv Global Diversity & Inclusion Index 2019.

Workforce Age Distribution



- < 30 years old 20%
- 30-49 years old 61%
- ≥ 50 years old 19%



- < 30 years old 23%
- 30-49 years old 59%
- ≥ 50 years old 18%

COMMUNITY
THE MOST CONNECTED COMMUNITIES

SINGTEL TOUCHING LIVES FUND

Raised

S\$3m

in 2019, bringing the total funds donated to

S\$45m

since its inception in 2002.



STAFF VOLUNTEERISM

Clocked

28,226

hours in volunteering in FY 2020.



BOOSTING DIGITAL LITERACY

Taught more than

114,000

students how to be safe, responsible and positive in the digital world in FY 2020.



To drive positive and sustainable change for communities, we have put in place various initiatives that enable us to play a significant role in advancing the progress, development and inclusion of vulnerable segments of society.

LENDING A HELPING HAND

Our programmes have helped to equip the vulnerable with skills that enhance their employability and ability to live independently and also bring cheer to their lives.

Now in its fourth year, our Pathways 2 Employment Programme in Australia helps youth from disadvantaged backgrounds improve their future employability prospects, both within Optus and the broader retail sector.



Consumer Singapore CEO Yuen Kuan Moon, Group CEO Chua Sock Koong and Group Chief Human Resources Officer Aileen Tan mingling with children with special needs at the Singtel Carnival 2019.

Sustainability



Minister for Education Mr Ong Ye Kung and Singtel's management flag off the 2019 Race Against Cancer.

Optus Retail employees coached 172 students and 20 of them successfully gained employment with us.

Our staff are also encouraged to volunteer their time and give back to the community through initiatives such as the Singtel Carnival, Singapore's largest event designed exclusively for children with special needs. The 2019 event was organised by 1,800 staff volunteers and saw more than 1,600 students from 14 special education schools enjoy a fun-filled day of games, activities and performances.

We have also been extending our volunteering outreach to support communities in countries where

our regional associates operate through Better Together, our annual overseas volunteering programme. About 100 staff volunteers from Singtel, Optus, Airtel, AIS and Globe participated in four expeditions to Australia, India, the Philippines and Thailand for the ninth edition of Better Together in 2019.

PROMOTING ONLINE SAFETY FOR CHILDREN

Educating our children and youth about online safety has become increasingly important as digitalisation becomes a way of life for many. In the past five years, our Singtel Group Digital Thumbprint Programme has reached more than 540,000 students, parents

and educators to support digital safety and responsibility in Singapore and Australia.

We have been collaborating with DQ Institute on its #DQEveryChild initiative, with the aim of empowering every child with digital intelligence. On Safer Internet Day 2020, we supported the launch of DQ Institute's Child Online Safety Index (COSI), the world's first real-time analytical platform to help countries better monitor and understand the status of children's online safety. COSI will enable stakeholders to identify areas for improvement and work on coordinated responses to minimise digital risks for children.

INCLUSION AND WELL-BEING

A key focus of our community strategy is advancing the disability employment agenda in Singapore. As a founder and co-chair of the Singapore Business Network on DisAbility, we have been actively supporting SG Enable's mentorship and internship programmes for tertiary students with disabilities, as well as university career fairs and CV clinics to help the students build their resumes.

As a technology company, we leverage our strengths to drive digital inclusion for vulnerable segments. We supported 1,000 disadvantaged seniors in Singapore with free mobile services under CareLine's 24-hour telephone befriending service. We are also helping to bridge the digital divide through our Donate Your Data initiative, which was scaled up in December 2019 and has allowed

Optus customers to donate data from their mobile plan to young Australians in need.

Fighting cancer is another cause close to our hearts. We have been the title sponsor of the Singtel-Singapore Cancer Society Race Against Cancer for 11 consecutive years. In 2019, we donated S\$250,000 to the Singapore Cancer Society to support its Help the Children and Youth Programme.

MARKETPLACE AND CUSTOMERS

ADVOCATING RESPONSIBLE AND ETHICAL BUSINESS PRACTICES

No person or organisation can go it alone to build a sustainable future for all. Since 2016, we have invested S\$5 million in Singtel Future Makers, our regional accelerator programme, which was set up to encourage innovation that addresses social and environmental issues in the community. Through the programme, we hope to spur start-ups that share this same vision by providing support for them

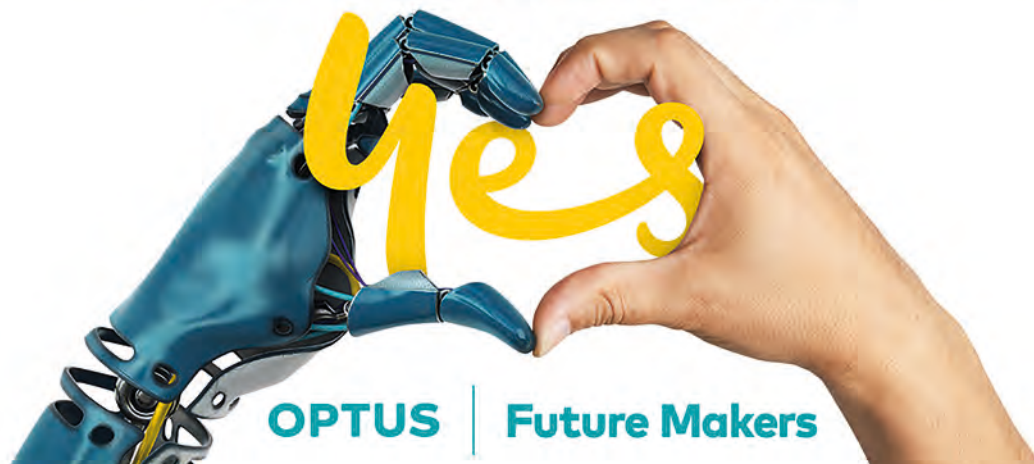
through capacity building and mentorship workshops and connecting them with our ecosystem of partners.

With the COVID-19 outbreak highlighting the importance of social enterprises more than ever in tackling social and community challenges in this region, Singtel Future Makers 2020 was launched with a special pandemic support grant on a fast

track to support successful applicants making innovative use of technology to address issues arising from the coronavirus. We recognise start-ups need more help to find their footing during this period and hope our programme will allow them to scale their solutions for wider social impact even post-COVID.




Empowering social innovators to change the world

A capacity building and accelerator program for social start-ups that are using technology for good



Sustainability

KEY ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

	Singapore		Australia	
	2020	2019	2020	2019
 Environmental Performance⁽¹⁾				
Energy use (GJ)	1,466,802	1,347,094	1,834,699	1,749,622
Carbon footprint (tonnes CO ₂ equivalent)	162,566	164,629	427,706	418,060
Electricity intensity (kWh/TB)	83	97	133	160
Water use (cubic metres)	864,646	753,238	68,737⁽²⁾	78,774 ⁽³⁾
Hazardous and non-hazardous wastes (tonnes)	7,658	7,538	883⁽⁴⁾	2,294 ⁽⁴⁾
 Social Performance: People				
Gender diversity (% female)				
– Total employees	35	35	31	32
– Middle and Top Management	34	34	22	22
Employee voluntary turnover (%)	15.7	18.3	15.3	17.0
Employee voluntary turnover by gender (%)				
– Male	10.6	12.4	9.4	10.6
– Female	5.1	5.9	5.9	6.4
Average training hours per employee	40.2	34.8	19.6	18.4
Employee health and safety ⁽⁵⁾				
– Workplace injury incidence rate	0.8	1.5	2.1	2.2
– Workplace injury frequency rate	0.4	0.7	1.2	1.3
– Workplace injury severity rate	7.9	12.9	8.3	16.7
 Social Performance: Community				
Community investment (\$ million) ⁽⁶⁾	S\$8.6	S\$11.7	A\$14.7	A\$8.7
Total volunteering hours	11,487	13,503	16,739	13,206

Notes:

⁽¹⁾ Please refer to the Singtel Group Sustainability Report 2020 for the reporting scope of environmental indicators.

⁽²⁾ Water use for Optus Sydney Campus and Optus Melbourne office only.

⁽³⁾ Water use for Optus Sydney Campus only.

⁽⁴⁾ Data covers waste directly managed by Optus' contracted waste vendor.

⁽⁵⁾ Workplace safety and health metrics based on International Labour Organization (ILO) definitions.

⁽⁶⁾ Community investment has been verified by The London Benchmarking Group (LBG).



Scan here to view
the Singtel Group
Sustainability Report 2020
online.

Group Five-year Financial Summary

	Financial Year ended 31 March				
	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017	2016
Income Statement (\$S million)					
Group operating revenue	16,542	17,372	17,268	16,711	16,961
Australia Consumer	7,251	7,579	7,475	7,192	7,684
<i>Australia Consumer (A\$ million)</i>	7,753	7,659	7,128	6,897	7,532
Singapore Consumer	2,110	2,234	2,236	2,380	2,426
Group Enterprise	6,026	6,329	6,477	6,600	6,397
Group Digital Life	1,145	1,224	1,080	539	454
International Group ⁽²⁾	10	6	-	-	-
Group EBITDA	4,541	4,692	5,051	4,998	5,013
Australia Consumer	2,388	2,456	2,591	2,521	2,510
<i>Australia Consumer (A\$ million)</i>	2,553	2,482	2,470	2,416	2,462
Singapore Consumer	757	748	753	792	774
Group Enterprise	1,587	1,695	1,863	1,913	1,959
Group Digital Life	(48)	(92)	(51)	(122)	(137)
International Group	(55)	(38)	(22)	(18)	(18)
Corporate	(87)	(78)	(84)	(88)	(76)
Group EBIT (before associates)	1,961	2,470	2,801	2,759	2,864
Australia Consumer	898	1,164	1,261	1,283	1,326
<i>Australia Consumer (A\$ million)</i>	960	1,178	1,203	1,229	1,301
Singapore Consumer	497	501	513	508	504
Group Enterprise	858	1,080	1,256	1,268	1,337
Group Digital Life	(140)	(152)	(120)	(190)	(206)
International Group	(60)	(43)	(23)	(20)	(19)
Corporate	(92)	(81)	(85)	(90)	(79)
Share of associates' pre-tax profits ⁽³⁾	1,743	1,536	2,461	2,886	2,791
Group EBITDA and share of associates' pre-tax profits ⁽³⁾	6,284	6,228	7,511	7,884	7,804
Group EBIT	3,704	4,006	5,261	5,645	5,655
Underlying net profit ⁽⁴⁾	2,457	2,825	3,593	3,871	3,805
Net profit ⁽⁵⁾	1,075	3,095	5,473	3,853	3,871
<i>Exchange rate⁽⁶⁾ (A\$ against S\$)</i>	0.935	0.990	1.049	1.043	1.020

"Associate" refers to an associate and/or a joint venture under SFRS(I).

Notes:

⁽¹⁾ Based on Singapore Financial Reporting Standards (International) (SFRS(I)). FY 2020 includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽²⁾ Comprises mainly mobile financial business, and gaming and digital content business.

⁽³⁾ Excludes the Group's share of the associates' significant one-off items which have been classified as exceptional items of the Group.

⁽⁴⁾ Underlying net profit is defined as net profit before exceptional items.

⁽⁵⁾ FY 2020 includes the Group's share of Airtel's net exceptional loss of S\$1.80 billion mainly for regulatory costs. FY 2018 included the gain on disposal of economic interest in NetLink Trust of S\$2.03 billion.

⁽⁶⁾ Average A\$ rate for translation of Optus' operating revenue.

Group Five-year Financial Summary

	Financial Year ended 31 March				
	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017	2016
Cash Flow (\$ million)					
Group free cash flow ⁽²⁾	3,781	3,650	3,606	3,054	2,718
Optus	1,285	1,006	989	514	631
<i>Optus (A\$ million)</i>	1,396	1,028	947	500	617
Singtel and other subsidiaries	1,202	1,242	1,126	1,040	869
Associates' dividends (net of withholding tax)	1,294	1,402	1,492	1,500	1,218
Group cash capital expenditure	2,037	1,718	2,349	2,261	1,930
Balance Sheet (\$ million)					
Total assets	48,955	48,915	48,496	48,294	43,566
Shareholders' funds	26,789	29,838	29,737	28,214	24,989
Net debt	12,499	9,883	9,877	10,384	9,142
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	79	76	76	75	74
Return on invested capital ⁽³⁾ (%)	6.4	7.7	9.6	10.9	11.7
Return on equity (%)	3.8	10.4	18.9	14.5	15.6
Return on total assets (%)	2.1	6.3	11.2	8.3	9.0
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	2.0	1.6	1.3	1.3	1.2
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	13.8	16.2	20.1	23.4	25.3
Per Share Information (\$ cents)					
Earnings per share - underlying net profit	15.05	17.31	22.01	24.07	23.88
Earnings per share - basic	6.58	18.96	33.53	23.96	24.29
Net assets per share	164	183	182	173	157
Dividend per share - ordinary	12.25	17.50	17.50	17.50	17.50
Dividend per share - special	-	-	3.0	-	-

Notes:

⁽¹⁾ Based on SFRS(I). FY 2020 includes the effects from adoption of SFRS(I) 16, Leases, from 1 April 2019 on a prospective basis.

⁽²⁾ Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.

⁽³⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital.

FIVE-YEAR FINANCIAL REVIEW

FY 2020

This has been a challenging year, given structural shifts in the industry, soft economic conditions, adverse regulatory outcomes in India and the onset of COVID-19 in the fourth quarter. With a 6% depreciation in the Australian Dollar, operating revenue declined 4.8% to S\$16.54 billion and EBITDA fell 3.2% to S\$4.54 billion. In constant currency terms, operating revenue dipped 2.0% mainly from lower mobile service revenue and equipment sales while EBITDA remained stable on reduction in operating lease expenses under the new lease accounting standard. EBIT (before associates) reduced 19% after including depreciation of right-of-use assets.

Underlying net profit fell 13% to S\$2.46 billion, with increased net losses at Airtel and weakness at Australia Consumer due to continuing data price competition, lower equipment sales and margins, and low NBN resale margins.

Net profit declined 65% to S\$1.08 billion due to net exceptional losses of S\$1.38 billion mainly arising from share of Airtel's exceptional charges for regulatory costs, including the adjusted gross revenue matter and a one-time spectrum charge.

FY 2019

The Group executed well on its strategy amid challenging conditions and gained market share in mobile across both Singapore and Australia. Operating revenue was stable at S\$17.37 billion while EBITDA declined 7.1% to S\$4.69 billion due partly to a 6% depreciation in the Australian Dollar. In constant currency terms, operating revenue grew 3.7% driven mainly by increases in ICT, digital services and equipment sales. However, EBITDA was down 3.9% mainly due to lower legacy carriage services especially voice, and price erosion.

The associates' pre-tax contributions declined a steep 38% to S\$1.54 billion mainly caused by operating losses at Airtel and a lower contribution from Telkomsel amid aggressive price competition in India and Indonesia respectively. The decline was partly mitigated by double-digit profit growth at Globe in the Philippines with robust revenue growth in mobile and broadband.

With lower contributions from the associates, underlying net profit declined 21%. Net profit was S\$3.10 billion, down 44% from FY 2018⁽¹⁾.

FY 2018

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

Telkomsel due to intense competition and the mandated reduction in mobile termination charges in India, as well as a lower contribution from NetLink NBN Trust following the reduction in economic interest of 75.2% in July 2017. The decline was partly mitigated by a higher contribution from Intouch which was acquired in November 2016.

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

The associates' pre-tax contributions declined 15% to S\$2.46 billion on weaker earnings from Airtel India and

Note:

⁽¹⁾ Included gain on disposal of economic interest in NetLink Trust of S\$2.03 billion.

Group Five-year Financial Summary

FY 2017

The Group delivered resilient earnings amid heightened competition across all the markets the Group operated in. Operating revenue was S\$16.71 billion, 1.5% lower than FY 2016 but would have increased 2.0% excluding the impact of regulatory mobile termination rates change in Australia from 1 January 2016. EBITDA remained stable at S\$5.0 billion. The Australian Dollar appreciated 2% against the Singapore Dollar. In constant currency terms, operating revenue and EBITDA decreased by 2.6% and 1.5% respectively.

The associates' pre-tax contributions rose 5.4% to S\$2.94 billion despite weakness in Airtel which faced intense price competition in India. Strong growth at Telkomsel and NetLink Trust, as well as the first-time contribution from Intouch, which was acquired in November 2016, was partly offset by lower profits at Airtel, AIS and Globe.

Underlying net profit grew 2.9% and net profit was stable at S\$3.85 billion with an exceptional loss compared to an exceptional gain in FY 2016.

FY 2016

The Group delivered a strong performance with resilient core business and robust contributions from associates. Operating revenue was S\$16.96 billion, 1.5% lower than FY 2015 with the Australian Dollar declining a steep 9% against the Singapore Dollar and the impact of lower mobile termination rates in Australia from 1 January 2016. In constant currency terms, operating revenue would have grown 4.1% across all business units with first-time contribution from Trustwave, Inc., a newly acquired cyber security business. EBITDA was S\$5.01 billion, 1.5% lower than FY 2015 and in constant currency terms, would have increased 4.1% with strong cost management.

The associates' pre-tax contributions rose 8.2% to S\$2.79 billion and would have increased 9.7% excluding the currency translation impact. The regional associates recorded strong customer and 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.

Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

	FY 2020 ⁽¹⁾ (S\$ million)	FY 2019 (S\$ million)
Value added from:		
Operating revenue	16,542	17,372
Less: Purchases of goods and services	(9,753)	(10,314)
	6,789	7,058
Other income	179	225
Interest and investment income (net)	180	38
Share of associates' post-tax results ⁽²⁾⁽³⁾	(530)	1,563
Exceptional items (pre-tax)	416	68
	245	1,894
Total value added	7,034	8,952
Distribution of total value added		
To employees in wages, salaries and benefits	2,426	2,590
To government in income and other taxes	513	675
To providers of capital on:		
- Interest on borrowings	462	393
- Dividends to shareholders	2,857	2,857
Total distribution	6,258	6,515
Retained in business		
Depreciation and amortisation	2,580	2,222
Retained (losses) ⁽³⁾ /profits	(1,782)	238
Non-controlling interests	(22)	(23)
	776	2,437
Total value added	7,034	8,952
Average number of employees	23,080	24,071

Associate refers to an associate and/or a joint venture under SFRS(I).

Notes:

⁽¹⁾ Includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽²⁾ Includes the Group's share of the associates' significant one-off items.

⁽³⁾ FY 2020 includes the Group's share of Airtel's net exceptional loss of S\$1.80 billion mainly for regulatory costs.

PRODUCTIVITY DATA

Value Added (S\$ million)		
2020	7,034	-1,918
2019	8,952	

Value Added Per Employee (S\$'000)		
2020	305	-67
2019	372	

Value Added Per Dollar of Employee Costs (S\$)		
2020	2.90	-0.56
2019	3.46	

Value Added Per Dollar of Turnover (S\$)		
2020	0.43	-0.09
2019	0.52	

Management Discussion and Analysis

GROUP

	Financial Year ended 31 March			Change in constant currency ⁽²⁾ (%)
	2020 ⁽¹⁾ (\$ million)	2019 (\$ million)	Change (%)	
Operating revenue	16,542	17,372	-4.8	-2.0
EBITDA	4,541	4,692	-3.2	**
EBITDA margin	27.5%	27.0%		
Share of associates' pre-tax profits⁽³⁾	1,743	1,536	13.5	8.8
EBIT	3,704	4,006	-7.5	-8.1
<i>(exclude share of associates' pre-tax profits⁽³⁾)</i>	1,961	2,470	-20.6	-18.6
Net finance expense	(282)	(355)	-20.6	-17.1
Taxation	(988)	(850)	16.3	15.5
Underlying net profit⁽⁴⁾	2,457	2,825	-13.0	-14.0
<i>Underlying earnings per share⁽⁴⁾ (\$ cents)</i>	15.1	17.3	-13.1	-14.0
Exceptional items (post-tax)	(1,382)	270	nm	nm
Net profit	1,075	3,095	-65.3	-65.8
<i>Basic earnings per share (\$ cents)</i>	6.6	19.0	-65.3	-65.8
Share of associates' post-tax profits⁽³⁾	1,277	1,383	-7.7	-11.6

"Associate" refers to an associate and/or a joint venture under SFRS(I).

"**" denotes less than +/-0.05%.

"nm" denotes not meaningful.

Notes:

⁽¹⁾ Includes the effects from adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16, *Leases*, from 1 April 2019 on a prospective basis. The adoption has resulted in lower operating lease expenses and increases in depreciation charge and interest expense.

⁽²⁾ Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the previous year ended 31 March 2019 (FY 2019).

⁽³⁾ Excludes the Group's share of the associates' significant one-off items which have been classified as exceptional items of the Group.

⁽⁴⁾ Underlying net profit refers to net profit before exceptional items.

The Group faced a challenging year in FY 2020 marked by structural shifts in the industry, weak economic conditions, adverse regulatory outcomes in India, and the onset of COVID-19 from February 2020. Despite these challenges, the Group remained resilient and gained customer market share in mobile and fixed services in Singapore, and maintained its enterprise market leadership in Singapore and the Asia Pacific region. The Group also strengthened its network position with ongoing investments, and won 5G spectrums in Singapore and Thailand, as well as launched 5G services in Australia and the Philippines.

In constant currency terms, operating revenue slid 2.0% on lower mobile service revenue and equipment sales across Singapore and Australia, aggravated by COVID-19. EBITDA, however, was stable from continued cost management, wage credits from the Singapore government and lower operating lease expenses under the new lease accounting standard. With a 6% depreciation in the Australian Dollar, operating revenue and EBITDA fell 4.8% and 3.2% respectively.

Including depreciation and amortisation charges which rose 16% (21% in constant currency terms) mainly from right-of-use assets, the Group's

EBIT (before associates) declined 21% and would have been down 19% in constant currency terms.

The Australia business posted lower operating revenue and earnings with its consumer business impacted by low margins from NBN resale and equipment sales although this was partly mitigated by higher NBN migration revenues. Its enterprise business was weighed down by lower legacy services and intense price competition.

The post-tax underlying profit contributions from the associates fell 7.7% on higher net loss from Airtel which was partly offset by higher profits from Telkomsel, AIS and Globe. While operating performance improved in India and Africa, Airtel's net loss widened due to higher finance costs, foreign exchange losses and lower tax credits.

Net finance expense fell 21% despite higher interest expense on lease liabilities as the Group recorded S\$148 million of income from its investment as a pre-IPO shareholder in Airtel Africa.

With the weakness in the Australia business and higher net losses at Airtel, underlying net profit declined 13%. Net exceptional loss was S\$1.38 billion for the year compared to a net exceptional

gain of S\$270 million last year. The net exceptional loss arose mainly from the share of Airtel's exceptional charges for regulatory costs, including the adjusted gross revenue matter and a one-time spectrum charge. Consequently, the Group recorded a net profit of S\$1.08 billion, down 65% from FY 2019.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for slightly over three-quarters of both the Group's proportionate revenue and EBITDA.

The Group's combined mobile customer base reached 705 million, up 13 million from a year ago, mainly from Airtel.

Management Discussion and Analysis

BUSINESS SEGMENT

	Financial Year ended 31 March			Change in constant currency ⁽²⁾ (%)
	2020 ⁽¹⁾ (S\$ million)	2019 (S\$ million)	Change (%)	
Operating revenue				
Australia Consumer	7,251	7,579	-4.3	1.2
Singapore Consumer ⁽³⁾	2,110	2,234	-5.5	-5.5
Group Enterprise	6,026	6,329	-4.8	-3.8
Group Digital Life	1,145	1,224	-6.4	-7.3
International Group ⁽³⁾⁽⁴⁾	10	6	60.7	60.7
Group	16,542	17,372	-4.8	-2.0
EBITDA				
Australia Consumer	2,388	2,456	-2.7	2.8
Singapore Consumer ⁽³⁾	757	748	1.2	1.2
Group Enterprise	1,587	1,695	-6.4	-6.1
Group Digital Life	(48)	(92)	-47.4	-47.5
International Group ⁽³⁾⁽⁴⁾	(55)	(38)	47.2	47.2
Corporate	(87)	(78)	12.2	12.2
Group	4,541	4,692	-3.2	**
EBIT (before share of associates' pre-tax profits)				
Australia Consumer	898	1,164	-22.8	-18.5
Singapore Consumer ⁽³⁾	497	501	-0.8	-0.8
Group Enterprise	858	1,080	-20.6	-21.2
Group Digital Life	(140)	(152)	-8.0	-8.7
International Group ⁽³⁾⁽⁴⁾	(60)	(43)	39.9	39.9
Corporate	(92)	(81)	14.4	14.4
Group	1,961	2,470	-20.6	-18.6
Australia Consumer (A\$ million)				
NBN migration revenues	607	184	230.3	
Excluding NBN migration revenues				
- Operating revenue	7,146	7,475	-4.4	
- EBITDA	1,946	2,299	-15.4	
- EBIT	353	994	-64.5	

*** denotes less than +/-0.05%.

Notes:

⁽¹⁾ Includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽²⁾ Assuming constant exchange rates for the Australian Dollar and United States Dollar from FY 2019.

⁽³⁾ Comparatives have been adjusted to exclude certain digital businesses (mainly Singtel Dash) transferred to 'International Group' from 1 April 2019.

⁽⁴⁾ Comprises mainly mobile financial business, and gaming and digital content business. EBITDA and EBIT include the corporate costs of International Group which also supports the Group's regional investments. The results here do not include the equity accounted results of the regional associates which are shown under the 'Associates' section.

AUSTRALIA CONSUMER

Operating revenue and EBITDA grew 1.2% and 2.8% respectively, boosted by NBN migration revenues which peaked during the year. Excluding NBN migration revenues, operating revenue and EBITDA fell 4.4% and 15% respectively, reflecting lower contributions from retail fixed and equipment sales. Retail fixed margins declined on a higher mix of NBN customers which grew a strong 251,000 from a year ago but resulted in adverse margin impact. Equipment sales revenue and margins declined, reflecting lower sales volume, price competition and lower handset vendor rebates. Mobile service revenue declined 4.7% on higher SIM-only plan adoption and intense data price competition. For the year, strong postpaid additions drove an increase of 167,000 in total mobile customer base⁽¹⁾. EBIT fell 19% after including depreciation and amortisation charges which rose 22% mainly from right-of-use assets, and would have declined 65% excluding NBN migration revenues.

SINGAPORE CONSUMER

In Singapore, competition remained intense. Mobile operators launched all-digital brands and the fourth mobile network operator commercially launched at end of March 2020. Operating revenue declined 5.5% with reductions in mobile, TV and fixed voice partly mitigated by growth in fixed broadband. Excluding the 2018 FIFA World Cup revenue last year, TV revenue would have been stable. Equipment sales declined 3.9% due mainly to the supply disruption for certain premium handsets and soft consumer sentiment from COVID-19 in the March quarter. Mobile service revenue fell 7.5% on continued voice erosion, lower roaming

and prepaid revenues, as well as the impact from amortisation of handset subsidies. For the year, the number of postpaid customers⁽¹⁾ grew by 130,000 as GOMO and SIM-only plans gained traction. EBITDA, however, rose 1.2% on strong cost management, wage credits and recovery of infrastructure costs from a telco operator. EBIT remained stable after including higher depreciation from right-of-use assets.

GROUP ENTERPRISE

Operating revenue and EBITDA decreased 4.8% and 6.4% respectively on continued declines in legacy services especially voice, aggressive price competition as well as weak business sentiment. Excluding Australia, both operating revenue and EBITDA would have been stable. ICT revenue, which constituted 51% (FY 2019: 48%) of Group Enterprise's revenue, was stable but grew 1.5% in constant currency terms with growth in Singapore offsetting lower sales in Australia. In Singapore, ICT revenue grew strongly at 6.7% driven by NCS and higher data centre revenue boosted by new wins and service turn-on for a large customer. NCS delivered robust revenue growth of 7.0% and closed the year with a strong order book of S\$3.2 billion from new wins and key contract renewals. The Australia business faced challenging market dynamics, legacy product declines, pricing pressures as well as weaker demand especially from the government and financial sectors. EBIT declined by 21% after including higher depreciation from right-of-use assets and amortisation of software intangibles.

GROUP DIGITAL LIFE

Operating revenue declined 6.4% due mainly to lower revenues from digital marketing arm Amobee and video-on-

demand streaming service HOOQ, which was placed under liquidation in March 2020. Amobee's revenue fell 7.9% as growth in programmatic platform business was negated by continued declines in legacy managed media and social businesses, and spending cuts by certain key customers. Despite lower operating revenue, negative EBITDA fell 47% with cost management and lower losses from HOOQ partly on cessation of its operations. Including higher depreciation and amortisation charges from investments in technology platform and right-of-use assets, negative EBIT reduced by 8.0%.

INTERNATIONAL GROUP

Operating revenue increased mainly from the growth in Dash's remittance and payment services as well as sponsorship revenue for PVP Esports. Dash's monthly active user base rose 84% and remittance transaction counts grew 71% from a year ago with increased scale. EBITDA and EBIT losses increased on continued ramp-up of the digital businesses.

Note:

⁽¹⁾ Includes Enterprise mobile customers.

Management Discussion and Analysis

ASSOCIATES⁽¹⁾

	Financial Year ended 31 March			Change in constant currency ⁽²⁾ (%)
	2020 (S\$ million)	2019 (S\$ million)	Change (%)	
Group share of associates' pre-tax profits⁽³⁾	1,743	1,536	13.5	8.8
<i>(excluding Airtel and BTL)</i>	2,146	2,047	4.8	1.5
Share of post-tax profits				
Telkomsel	885	843	5.0	2.5
AIS	305	286	6.5	1.0
Intouch ⁽³⁾⁽⁴⁾				
- operating results	105	101	3.7	-1.6
- amortisation of acquired intangibles	(23)	(22)	1.4	-3.9
	83	79	4.4	-0.9
Globe	278	251	11.0	6.6
Airtel ⁽³⁾⁽⁵⁾				
- ordinary results (India and South Asia)	(350)	(368)	-4.8	-5.2
- ordinary results (Africa) ⁽⁶⁾	68	145	-52.9	-53.3
- associates	(14)	(30)	-52.0	-51.7
- exceptional items (mainly deferred tax credits)	-	121	nm	nm
	(296)	(131)	125.3	125.2
Bharti Telecom Ltd (BTL) ⁽⁷⁾	(63)	(40)	58.1	59.2
	(359)	(171)	109.6	109.8
Regional associates⁽³⁾	1,191	1,287	-7.5	-11.7
Other associates ⁽³⁾⁽⁸⁾	85	95	-10.4	-10.4
Group share of associates' post-tax profits⁽³⁾	1,277	1,383	-7.7	-11.6
<i>(excluding Airtel and BTL)</i>	1,636	1,554	5.3	2.0

"Associate" refers to an associate and/or a joint venture under SFRS(I).

"nm" denotes not meaningful.

Notes:

⁽¹⁾ Based on SFRS(I) and includes the adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽²⁾ Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from FY 2019.

⁽³⁾ Share of results excludes the Group's share of the associates' significant one-off items which have been classified as exceptional items of the Group.

⁽⁴⁾ Singtel holds an equity interest of 21.0% in Intouch which has an equity interest of 40.5% in AIS.

⁽⁵⁾ Singtel's equity interest in Airtel was 33.3% as at 31 March 2020 (31 March 2019: 39.5%).

⁽⁶⁾ Airtel's equity interest in Airtel Africa was 56.0% as at 31 March 2020 (31 March 2019: 68.3%).

⁽⁷⁾ BTL held an equity interest of 38.8% in Airtel as at 31 March 2020 (31 March 2019: 50.1%).

⁽⁸⁾ Includes the share of results of Singapore Post Limited and NetLink NBN Trust (holding company of NetLink Trust).

	Telkomsel	AIS	Globe	Airtel ⁽¹⁾
Country mobile penetration rate	120%	140%	150%	88%
Market share, 31 March 2020 ⁽²⁾	59.3%	45.2%	55.0%	28.4%
Market share, 31 March 2019 ⁽²⁾	60.9%	45.2%	56.6%	28.0%
Market position ⁽²⁾	#1	#1	#1	#3
Mobile customers ('000)				
- Aggregate	162,567	41,156	89,320	397,200
- Proportionate	56,898	9,598	42,007	122,158
Growth in mobile customers ⁽³⁾ (%)	-3.6%	-0.8%	7.0%	3.4%

Notes:

⁽¹⁾ Mobile penetration rate, market share and market position pertain to India market only.

⁽²⁾ Based on number of mobile customers.

⁽³⁾ Compared against 31 March 2019 and based on aggregate mobile customers.

The regional associates continued to ramp up their investments in network infrastructure, spectrum and content to drive data and digital growth during the year.

Telkomsel continued to face intense competition outside Java and pressures on its legacy business. Overall operating revenue rose 2.0% with growth in data and digital services offsetting lower voice and SMS revenues. EBITDA increased on higher revenue and lower operating lease expenses. Despite higher depreciation from right-of-use assets and increased startup losses from its fintech associate, Telkomsel's post-tax profit rose 2.5% due to the reduction in corporate tax rate from January 2020. With a stronger Indonesian Rupiah, Telkomsel's post-tax contribution increased 5.0% in Singapore Dollar terms.

AIS' service revenue (excluding interconnect and equipment rental) grew 4.8% from both mobile and fixed broadband services. EBITDA increased on revenue growth and lower payments from a new partnership agreement with TOT Public Company Limited signed in September 2019. Including higher depreciation and spectrum amortisation charges, AIS' post-tax profit grew 1.0% and in Singapore Dollar terms rose 6.5% from a stronger Thai Baht.

Intouch's post-tax profit contribution was stable as a higher contribution from AIS offset the decline in Thaicom's satellite business. With a stronger Thai Baht, post-tax profit contribution rose 4.4%.

Globe delivered a strong performance with healthy growth in service revenue and EBITDA of 10% and 11% respectively from data and home broadband services, fuelled by the increased popularity of streaming, on-demand video content and gaming. Despite higher depreciation charges from an expanded network and share of increased equity losses from its associates, Globe's post-tax profit rose 6.6% and in Singapore Dollar terms grew 11% from a stronger Philippine Peso.

Airtel has started to turn the corner with the consolidation in the Indian mobile market. The mobile price hikes in December 2019 have lifted Airtel's mobile revenue by 11% and driven strong 4G customer gains. Overall operating revenue from India and South Asia grew 7% and EBITDA rose steeply by 47% on revenue growth and lower operating lease expenses. Despite higher depreciation and amortisation charges and increased finance costs, the Group's share of ordinary net loss reduced by 4.8% to S\$350 million.

Airtel Africa was listed on the London Stock Exchange and Nigerian Stock Exchange in July 2019. It maintained its

strong momentum with revenue and EBITDA up 14% and 29% respectively in constant US Dollar terms across voice, data and mobile money. Airtel's stake in Africa was diluted to 56.0% as at 31 March 2020 (31 March 2019: 68.3%). Consequently, including increased foreign exchange losses from currency headwinds and higher tax expense, the Group's share of Airtel Africa's ordinary net profit declined 53% to S\$68 million.

With the absence of large tax credits, the share of Airtel group's underlying net loss increased to S\$296 million (FY 2019: S\$131 million). Including the share of Bharti Telecom Limited's ("BTL") net loss of S\$63 million (FY 2019: S\$40 million) mainly from higher net finance expense on borrowings, the total share of underlying net losses of Airtel group and BTL doubled from a year ago to S\$359 million.

Airtel recorded significant exceptional charges during the year which have been classified as exceptional items of the Group. The exceptional items comprised mainly regulatory costs including provisions and interest relating to the adjusted gross revenue matter, and a one-time spectrum charge. Including the share of Airtel's net exceptional charges of S\$1.80 billion, the overall contribution from Airtel and BTL was a net loss of S\$2.16 billion, compared to a net profit of S\$34 million last year.

Management Discussion and Analysis

CASH FLOW

	Financial Year ended 31 March		
	2020 ⁽¹⁾ (S\$ million)	2019 (S\$ million)	Change (%)
Net cash inflow from operating activities	5,817	5,368	8.4
Net cash outflow for investing activities	(2,921)	(2,329)	25.4
Net cash outflow for financing activities	(2,447)	(3,056)	-19.9
Net change in cash balance	450	(16)	nm
Exchange effects on cash balance	37	4	@
Cash balance at beginning of year	513	525	-2.3
Cash balance at end of year	1,000	513	95.0
Optus	1,285	1,006	27.7
Singtel and other subsidiaries	1,202	1,242	-3.2
Associates (net dividends after withholding tax)	1,294	1,402	-7.7
Group free cash flow	3,781	3,650	3.6
<i>Optus (A\$ million)</i>	<i>1,396</i>	<i>1,028</i>	<i>35.8</i>
<i>Cash capital expenditure as a percentage of operating revenue</i>	12%	10%	

"nm" denotes not meaningful.

"@" denotes more than 500%.

Note:

⁽¹⁾ Includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis. The adoption has resulted in higher operating cash flow from lower operating lease payments now classified as part of financing cash flow.

Net cash inflow from operating activities grew 8.4% to S\$5.82 billion on positive working capital and lower tax payments which offset the decline in earnings and lower associates' dividends. Dividends received from the associates fell 7.7% due mainly to a lower contribution from Telkomsel and the absence of dividends from Airtel India.

The investing cash outflow was S\$2.92 billion. During the year, Singtel received proceeds of S\$128 million from the disposal of a property in Singapore and S\$148 million as return from its investment as a pre-IPO shareholder in Airtel Africa. Payments were made for Singtel's subscription to Airtel's

rights issue of S\$735 million and Optus' acquisition of 3.6 GHz spectrum for S\$163 million (A\$185 million). Capital expenditure totalled S\$2.04 billion, comprising S\$1.36 billion (A\$1.45 billion) for Optus and S\$682 million for the rest of the Group. In Optus, capital investments in mobile amounted to A\$895 million with the balance in fixed and other investments. The other major capital investments for the rest of the Group included S\$318 million for fixed and data infrastructure, S\$181 million for mobile and the balance for ICT and other investments.

The Group's free cash flow grew 3.6% to S\$3.78 billion on higher operating

cash flows partially offset by higher capital expenditure. On a comparable basis to last year where operating lease payments were classified as part of operating cash flow, free cash flow would have declined by 8.5%.

Net cash outflow for financing activities amounted to S\$2.45 billion. Major cash outflows included net interest payments of S\$463 million, and payments of S\$1.75 billion for final dividends relating to FY 2019 and S\$1.11 billion for interim dividends relating to FY 2020, partly offset by net increase in borrowings of S\$726 million.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2020 ⁽¹⁾ (S\$ million)	2019 (S\$ million)
Current assets	7,176	7,078
Non-current assets	41,779	41,837
Total assets	48,955	48,915
Current liabilities	10,579	8,794
Non-current liabilities	11,562	10,311
Total liabilities	22,141	19,105
Net assets	26,814	29,810
Share capital	4,127	4,127
Retained earnings	25,448	27,513
Currency translation reserve ⁽²⁾	(2,444)	(1,768)
Other reserves	(342)	(35)
Equity attributable to shareholders	26,789	29,838
Non-controlling interests	25	(28)
Total equity	26,814	29,810

Notes:

⁽¹⁾ Includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽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.

The Group's financial position remains healthy.

Total assets were stable with recognition of right-of-use assets under the new lease accounting standard, offset by reduction in the carrying value of joint ventures due mainly to higher losses at Airtel. Total liabilities increased on borrowings and inclusion of lease liabilities under the new lease accounting standard.

Currency translation losses increased due mainly to translation losses for Optus, Telkomsel and Airtel partly mitigated by translation gains for the Group's US Dollar denominated subsidiaries.

Management Discussion and Analysis

CAPITAL MANAGEMENT AND DIVIDEND POLICY

	Financial Year ended 31 March	
	2020 ⁽¹⁾	2019
Gross debt (S\$ million)	13,499	10,396
Net debt ⁽²⁾ (S\$ million)	12,499	9,883
Net debt gearing ratio ⁽³⁾ (%)	31.8	24.9
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	2.0	1.6
Interest cover ⁽⁴⁾ (number of times)	13.8	16.2

Notes:

⁽¹⁾ Includes the effects from adoption of SFRS(I) 16, *Leases*, from 1 April 2019 on a prospective basis.

⁽²⁾ Net debt is defined as gross debt adjusted for related hedging balances less cash and bank balances.

⁽³⁾ 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.

⁽⁴⁾ Interest cover refers to the ratio of EBITDA and share of associates' pre-tax profits to net interest expense.

As at 31 March 2020, the Group's net debt was S\$12.5 billion, an increase of S\$2.6 billion from a year ago. The increase was due mainly to the recognition of S\$2.1 billion of lease liabilities under SFRS(I) 16 and participation in Airtel's rights issue.

The Group has one of the strongest credit ratings among telecommunication companies in the Asia Pacific region and continues to maintain a healthy capital structure. Singtel is currently rated A1 by Moody's and A by S&P Global Ratings.

For the financial year ended 31 March 2020, the total ordinary dividend payout, including the proposed final dividend, is 12.25 cents per share or

81% of underlying net profit. This is lower than the 17.5 cents paid last year, as the Board took the prudent decision to conserve financial headroom to cope with uncertainties in the current COVID-19 operating environment and the capacity to invest in 5G.

Given the uncertainty of the impact of the COVID-19 pandemic on economic activity and the Group's business, the Group has not provided guidance for the next financial year ending 31 March 2021. The Group continues to review its financial outlook and shareholders' returns. It will update the market when there are material developments or when there is greater clarity in the operating environment.

Directors' Statement

For the financial year ended 31 March 2020

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 2020.

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 152 to 259 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 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Simon Claude Israel (Chairman)
Lee Theng Kiat (Chairman-designate) (appointed on 15 January 2020)
Chua Sock Koong (Group Chief Executive Officer)
Gautam Banerjee
Venkataraman Vishnampet Ganesan
Bradley Joseph Horowitz
Gail Patricia Kelly
Low Check Kian
Christina Hon Kwee Fong (Christina Ong)
Teo Swee Lian

Dominic Stephen Barton, who served during the financial year, stepped down as a Director of the Company on 26 November 2019.

Peter Edward Mason AM⁽¹⁾, who served during the financial year, retired following the conclusion of the Annual General Meeting on 23 July 2019.

Bobby Chin Yoke Choong, who served during the financial year, stepped down as a Director of the Company following the conclusion of the Annual General Meeting on 23 July 2019.

Note:

⁽¹⁾ Member of the Order of Australia

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

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

Directors' Statement

For the financial year ended 31 March 2020

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 2020	At 1 April 2019 or date of appointment, if later	At 31 March 2020	At 1 April 2019 or date of appointment, if later
<i>The Company</i>				
<u>Singapore Telecommunications Limited</u>				
(Ordinary shares)				
Simon Claude Israel	1,114,652 ⁽¹⁾	1,019,593	1,360 ⁽²⁾	1,360
Lee Theng Kiat	-	-	-	-
Chua Sock Koong	8,588,872 ⁽³⁾	8,229,844	3,174,949 ⁽⁴⁾	4,104,371
Gautam Banerjee	-	-	-	-
Bradley Joseph Horowitz	-	-	-	-
Gail Patricia Kelly	-	-	-	-
Low Check Kian	1,490	1,490	-	-
Christina Ong	-	-	-	-
Teo Swee Lian	1,550	1,550	-	-
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	3,341.45 ⁽⁵⁾	3,341.45	-	-
<i>Subsidiary Corporations</i>				
<u>Amobee Group Pte. Ltd.</u>				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	1,581,805	1,581,805	-	-
<u>Optus Finance Pty Limited</u>				
(A\$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	A\$1,600,000 ⁽⁶⁾	A\$1,600,000	-	-
	(principal amount)	(principal amount)		
(A\$500,000,000 3.25% fixed rate notes due 2023)				
Simon Claude Israel	A\$1,000,000 ⁽⁷⁾	A\$1,000,000	-	-
	(principal amount)	(principal amount)		

Directors' Statement

For the financial year ended 31 March 2020

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 2020	At 1 April 2019 or date of appointment, if later	At 31 March 2020	At 1 April 2019 or date of appointment, if later
<i>Related Corporations</i>				
<u>Ascendas Funds Management (S) Limited</u>				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	1,160,000 ⁽⁸⁾	1,000,000	-	-
Chua Sock Koong	185,600	142,000	-	-
Gautam Banerjee	20,000	20,000	-	-
<u>Ascendas Property Fund Trustee Pte. Ltd.</u>				
(Unit holdings in Ascendas India Trust)				
Gautam Banerjee	120,000	120,000	-	-
<u>Ascott Residence Trust Management Limited</u>				
(Unit holdings in Ascott Residence Trust)				
Chua Sock Koong	384,000	-	-	-
Teo Swee Lian	3,000	-	-	-
(\$250,000,000 4.68% perpetual bonds issued by Ascott Residence Trust)				
Chua Sock Koong	\$500,000	-	-	-
	(principal amount)			
<u>CapitaLand Commercial Trust Management Limited</u>				
(Unit holdings in CapitaLand Commercial Trust)				
Chua Sock Koong	50,000	-	-	-
<u>CapitaLand Limited</u>				
(Ordinary shares)				
Simon Claude Israel	141,931 ⁽⁶⁾	-	-	-
(\$1,000,000,000 2.95% convertible bonds due 2022)				
Chua Sock Koong	\$500,000	-	-	-
	(principal amount)			
<u>CapitaLand Mall Trust Management Limited</u>				
(Unit holdings in CapitaLand Mall Trust)				
Simon Claude Israel	65,600 ⁽⁶⁾	-	-	-
Chua Sock Koong	285,000	-	25,000	25,000
Gautam Banerjee	120,000	120,000	-	-

Directors' Statement

For the financial year ended 31 March 2020

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 2020	At 1 April 2019 or date of appointment, if later	At 31 March 2020	At 1 April 2019 or date of appointment, if later
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	4,330,609 ⁽⁶⁾	4,043,520	-	-
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	-	-
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	1,100,000 ⁽⁶⁾	1,100,000	-	-
Mapletree North Asia Commercial Trust Management Ltd.				
(Unit holdings in Mapletree North Asia Commercial Trust)				
Simon Claude Israel	1,000,000 ⁽⁶⁾	1,000,000	-	-
Chua Sock Koong	430,000	430,000	50,000 ⁽²⁾	50,000
Mapletree Real Estate Advisors Pte. Ltd.				
(Unit holdings in Mapletree US Logistics Private Trust)				
Christina Ong	185	185	-	-
(Unit holdings in Mapletree EU Logistics Private Trust)				
Christina Ong	185	185	-	-
Mapletree Treasury Services Limited				
(\$625,500,000 4.5% perpetual capital securities)				
Simon Claude Israel	\$500,000	\$500,000	-	-
	(principal amount)	(principal amount)		
Olam International Limited				
(Ordinary shares)				
Low Check Kian	1,024,995	1,024,995	2,074,518 ⁽⁹⁾	2,074,518

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Directors' Statement

For the financial year ended 31 March 2020

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 2020	At 1 April 2019 or date of appointment, if later	At 31 March 2020	At 1 April 2019 or date of appointment, if later
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	9,000 ⁽¹⁰⁾	9,000	-	-
Chua Sock Koong	2,000	2,000	-	-
Gautam Banerjee	7,100	-	-	-
Low Check Kian	5,600	5,600	-	-
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	1	1	-	-

Notes:

- (1) 1,110,241 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 and 2,000,000 ordinary shares held jointly with spouse in the name of DBSN Services Pte Ltd.
- (4) Ms Chua Sock Koong's deemed interest of 3,174,949 shares included:
- (a) 28,137 ordinary shares held by Ms Chua's spouse; and
- (b) An aggregate of up to 3,146,812 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 4,309,544 ordinary shares may be released pursuant to the conditional awards granted.
- According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "SFA (DOI) Regulations") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.
- (5) 1 American Depositary Share represents 10 ordinary shares in Singtel.
- (6) Held in the name of Citibank Nominees Singapore Pte Ltd.
- (7) Held in the name of Citibank N.A. (Hong Kong).
- (8) 116,000 units held jointly by Mr Simon Claude Israel and his spouse, and 1,044,000 units held in the name of Citibank Nominees Singapore Pte Ltd.
- (9) Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.
- (10) 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2020.

Directors' Statement

For the financial year ended 31 March 2020

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("ERCC") is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Gail Kelly (Chairman of the ERCC), Simon Claude Israel, Lee Theng Kiat, Low Check Kian and Teo Swee Lian.

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

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets or vesting conditions 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 or vesting conditions.

Awards comprising an aggregate of 101.4 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2020.

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 2019 ('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 2020 ('000)
Share award for Chairman (Simon Claude Israel)						
14.08.19	-	95	-	(95)	-	-
Performance shares (Restricted Share Awards) For Group Chief Executive Officer (Chua Sock Koong)						
20.06.16	136	-	-	(136)	-	-
19.06.17	383	-	62	(223)	-	222
19.06.18	397	-	-	-	-	397
20.06.19	-	202	-	-	-	202
	916	202	62	(359)	-	821

Directors' Statement

For the financial year ended 31 March 2020

4. PERFORMANCE SHARES (Cont'd)

Date of grant	Balance as at 1 April 2019 ('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 2020 ('000)
For other staff						
20.06.16	2,916	-	-	(2,877)	(39)	-
20.03.17	14	-	-	(14)	-	-
19.06.17	6,235	-	991	(3,656)	(229)	3,341
21.09.17	87	-	14	(50)	(35)	16
18.12.17	29	-	5	(17)	-	17
14.03.18	118	-	4	(15)	(97)	10
19.06.18	8,423	-	-	(106)	(873)	7,444
21.09.18	82	-	-	-	-	82
18.12.18	77	-	-	-	-	77
21.03.19	147	-	-	-	(18)	129
20.06.19	-	8,354	-	(11)	(767)	7,576
23.09.19	-	69	-	-	-	69
03.01.20	-	129	-	-	-	129
30.03.20	-	25	-	-	-	25
	18,128	8,577	1,014	(6,746)	(2,058)	18,915
<i>Sub-total</i>	19,044	8,779	1,076	(7,105)	(2,058)	19,736

Performance shares

(Performance Share Awards)

For Group Chief Executive Officer

(Chua Sock Koong)

20.06.16	1,695	-	-	-	(1,695)	-
19.06.17	832	-	-	-	-	832
19.06.18	634	-	-	-	-	634
20.06.19	-	860	-	-	-	860
	3,161	860	-	-	(1,695)	2,326

Directors' Statement

For the financial year ended 31 March 2020

4. PERFORMANCE SHARES (Cont'd)

Date of grant	Balance as at 1 April 2019 ('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 2020 ('000)
For other staff						
20.06.16	6,580	-	-	-	(6,580)	-
20.03.17	91	-	-	-	(91)	-
19.06.17	3,708	-	-	-	(54)	3,654
21.09.17	24	-	-	-	(24)	-
18.12.17	17	-	-	-	-	17
14.03.18	79	-	-	-	(79)	-
19.06.18	3,374	-	-	-	(163)	3,211
21.09.18	24	-	-	-	-	24
18.12.18	12	-	-	-	-	12
20.06.19	-	5,321	-	-	(212)	5,109
23.09.19	-	18	-	-	-	18
03.01.20	-	101	-	-	-	101
30.03.20	-	10	-	-	-	10
	13,909	5,450	-	-	(7,203)	12,156
Sub-total	17,070	6,310	-	-	(8,898)	14,482
Total	36,114	15,184	1,076	(7,200)	(10,956)	34,218

During the financial year, awards in respect of an aggregate of 7.2 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied by the delivery of existing shares purchased from the market as permitted under the Singtel PSP 2012.

As at 31 March 2020, no participant (other than Ms Chua Sock Koong) has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of -

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

5. SHARE OPTION PLANS

During the financial year, there were:

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

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

Directors' Statement

For the financial year ended 31 March 2020

5. SHARE OPTION PLANS (Cont'd)

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

Amobee Group Pte. Ltd.

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

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

From 1 April 2019 to 31 March 2020, options in respect of an aggregate of 14.7 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 2020, options in respect of an aggregate of 84.9 million of ordinary shares in Amobee are outstanding.

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

Date of grant	Exercise price
<u>For employees</u>	
13 April 2015, 14 October 2015	US\$0.54 to US\$0.79
20 January 2016, 10 May 2016, 23 June 2016, 24 August 2016, 25 January 2017, 19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	US\$0.54
21 August 2018, 25 March 2019	US\$0.55 to US\$0.58
15 August 2019, 29 October 2019	US\$0.58
<u>For non-executive directors</u>	
14 October 2015	US\$0.54
21 August 2018	US\$0.55
1 October 2019	US\$0.58

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

During the financial year, 73,988 ordinary shares of Amobee were issued 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 wholly-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

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

Directors' Statement

For the financial year ended 31 March 2020

5. SHARE OPTION PLANS (Cont'd)

From 1 April 2019 to 31 March 2020, no options in respect of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2020, options in respect of an aggregate of 1.2 million of common stock in Trustwave are outstanding.

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

<u>Date of grant</u>	<u>Exercise price</u>
1 December 2015, 22 January 2016, 19 May 2016, 12 September 2016	US\$16.79
20 January 2017	US\$16.24
15 March 2018, 23 May 2018, 12 July 2018, 31 August 2018	US\$15.37

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

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

HOOQ Digital Pte. Ltd. (in creditors' voluntary liquidation)

HOOQ Digital Pte. Ltd. (in creditors' voluntary liquidation) ("**HOOQ**"), which was placed under creditors' voluntary liquidation on 26 March 2020, had granted share options to the employees of HOOQ and/or its subsidiaries under the HOOQ Digital Employee Share Option Scheme (the "**Scheme**") during the financial year ended 31 March 2020.

From 1 April 2019 to 31 March 2020, options in respect of an aggregate of 17.8 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries under the Scheme. As at 31 March 2020, options in respect of an aggregate of 58.0 million of ordinary shares in HOOQ are outstanding.

The grant dates and exercise price of the share options granted under the Scheme, in addition to those which have been disclosed in the 2019 Annual Report, were as follows –

<u>Date of grant</u>	<u>Exercise price</u>
16 April 2019, 15 July 2019, 15 October 2019	US\$0.07

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant. The options granted expire 10 years from the date of grant.

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

Directors' Statement

For the financial year ended 31 March 2020

6. AUDIT COMMITTEE

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

Gautam Banerjee (appointed Chairman of the Audit Committee on 23 July 2019)

Christina Hon Kwee Fong (Christina Ong)

Gail Kelly (appointed on 15 May 2019)

Bobby Chin Yoke Choong, who served during the financial year, stepped down as Chairman of the Audit Committee following the conclusion of the Annual General Meeting on 23 July 2019.

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 Auditors' Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

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

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

The Committee has nominated KPMG LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

7. AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Simon Claude Israel
Chairman



Chua Sock Koong
Director

Singapore
27 May 2020

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

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 2020 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 152 to 259.

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 Singapore Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') 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 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the 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 'Auditors' 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 *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 period. 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.

Revenue recognition

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
For the main Operating Revenues – Mobile Service, Data and Internet and Sale of Equipment, there is an inherent risk around the accuracy and timing of revenue recognition given the complexity of systems and the large volume of data processed, which are also impacted by changing pricing models and the introduction of new products and tariff arrangements.	<p>We obtained an understanding of the nature of the various revenue streams and the related revenue recording processes, systems and controls. We have also ascertained that revenue was recognised in accordance with the adopted accounting policies.</p> <p>Our audit approach included controls testing as well as substantive procedures. For our procedures on the design and operating effectiveness of controls over significant IT systems, we involved our IT specialists.</p>

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

Revenue recognition (Cont'd)

The key audit matter

Significant management judgements and estimates are required when accounting for revenue from long-term contracts with respect to the Group Enterprise Infocomm Technology ("ICT") Operating Revenues. For some of these ICT contracts, estimates are required in determining the completeness and valuation of provisions against contracts that are expected to be loss-making and the recoverability of the contract assets.

The accounting policies for revenue recognition are set out in Note 2.24 to the financial statements and the various revenue streams for the Group have been disclosed in Note 4 to the financial statements.

How the matter was addressed in our audit

In particular, our procedures included:

- *IT systems:* Testing of the design and implementation, and the operating effectiveness of automated controls over the capture of data at the network switches and interfaces between relevant IT applications, measurement and billing of revenue, and the recording of entries in the general ledger.
- *Manual controls:* Testing of the design and implementation, and the operating effectiveness of manual controls over the initiation, authorisation, recording, and processing of revenue transactions. This included evaluating process controls over authorising new price plans and rate changes and the adjustments to the relevant billing systems. We had also tested the access controls and change management controls over the relevant billing systems.
- Testing of contracts in the ICT business for appropriate revenue recognition and provisioning for contracts that were expected to be loss-making. We challenged management's underlying assumptions in making their judgements on the provisions required, including those relating to the recoverability of contract assets.
- Assessing the appropriateness of the revenue recognition policies for the products and services offered by the Group in applying SFRS(I) 15 *Revenue from Contracts with Customers*, which included but was not limited to:
 - Assessing the appropriateness of the transaction price and its allocation to performance obligations identified within bundled contracts based on stand-alone selling prices; and
 - Inspection of customer contracts to evaluate whether performance obligations were satisfied over time or at a point in time, and assessed the reasonableness of estimates used in respect to revenue recognition and deferral of revenue.
- Testing of manual journal entries recorded in the general ledger relating to revenue recognition.

Findings

We found that the processes and controls to account for revenue were operating effectively.

We found that the key assumptions used and estimates made in regard to revenue recognition were reasonable.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

Impairment assessment of goodwill

The key audit matter

Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment.

At 31 March 2020, the Group's statement of financial position includes goodwill amounting to S\$11.4 billion, primarily related to the following cash generating units ("CGUs"):

Singtel Optus Pty Limited ("**Optus**"): S\$9.3 billion
Amobee, Inc. ("**Amobee**"): S\$1.0 billion
Global Cyber Security: S\$1.1 billion

The Group performed impairment assessments for each of the CGUs by estimating the recoverable amounts. The recoverable amount is the discounted sum of individually forecasted cash flows for each year and the value of the cash flows for the years thereafter using a long-term growth rate.

For Amobee, the recoverable amount was calculated to be below the carrying value of the CGU and an impairment loss of S\$195 million was recognised in the income statement with a corresponding reduction of the carrying value.

As the recoverable amount for the other CGUs was calculated to be in excess of the respective carrying amounts, no impairment was determined.

Forecasting of future cash flows is a highly judgmental process which requires estimation of revenue growth rates, profit margins, discount rates and future economic conditions.

Refer to Note 25 to the financial statements for the impairment assessments.

Findings

We found the identification of CGUs to be reasonable and appropriate.

We found the key assumptions and estimates used in determining the recoverable amounts to be within a supportable range.

We found the computation of the impairment amount to be reasonable.

How the matter was addressed in our audit

We evaluated whether CGUs were appropriately identified by management based on our understanding of the current business structure of the Group.

We involved our valuation specialists in the overall assessment of the recoverable amounts of the respective CGUs.

In particular, our procedures included:

Optus, Amobee and Global Cyber Security

We assessed the reasonableness of the key assumptions used by management in developing the cash flow forecasts and the discount rates used in computing the recoverable amounts, which included but are not limited to:

- Agreeing the cash flow forecasts used in the impairment model to Board approved forecasts and budgets;
- Considering management's expectations of the future business developments and corroborated certain information with market data; we also considered planned operational improvements to the businesses and how these plans would impact future cash flows and whether these were appropriately reflected in the cash flow forecasts used;
- Challenging the appropriateness of cash flow forecasts used by comparing against historical trends and recent performance and industry trends. Where relevant, assessing whether budgeted cash flows for prior years were achieved to assess forecasting accuracy;
- Comparing the discount rates and terminal growth rates to observable market data; and
- Performing a sensitivity analysis of the key assumptions used to determine which reasonable changes to assumptions would change the outcome of the impairment assessment.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

Share of joint ventures' reported contingent liabilities and provision for losses relating to regulatory litigations and tax disputes

The key audit matter

The Group's significant joint ventures have a number of on-going disputes and litigations with their local regulators and tax authorities.

Significant judgement is required by management in assessing the likelihood of the outcome of each matter and whether the risk of loss is remote, possible or probable and whether the matter is considered a contingent liability to be disclosed. Where the risk of loss is probable, management is required to estimate the provision amount based on the expected economic outflow resulting from the disputes and litigations.

Please refer to Note 43 to the financial statements for 'Significant Contingent Liabilities of Associates and Joint Ventures'.

Bharti Airtel Limited Adjusted Gross Revenue ("AGR") matter

On 24 October 2019, the Supreme Court of India had ruled that Bharti Airtel Limited, the Group's equity accounted joint venture, was liable to pay to the Department of Telecommunications certain dues relating to a longstanding dispute over the definition of AGR applied in calculating levies payable. Management's judgement is required in determining the provisions due to the extensive amount of information involved.

How the matter was addressed in our audit

Our audit procedures included:

- Inquiring with management and legal counsel of the joint ventures to understand the process and internal controls relating to the identification and assessment of the disputes and litigations, and recognition of the related liabilities, where appropriate.
- Reviewing the audit working papers of the auditors of the joint ventures ('Component Auditors'), in particular their assessment on the regulatory litigations and tax disputes that may have a material impact to the financial statements.
- Discussing with the Component Auditors on their evaluation of the probability and magnitude of losses relating to the disputes and litigations, and their conclusions reached in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.
- For the AGR matter, we have reviewed the Component Auditors' working papers and the calculation provided by management to them and discussed the audit work performed over the underlying data and the computations of the amounts. We have also read the Supreme Court of India ruling to ascertain that all elements mentioned had been appropriately considered.

Findings

We found management's assessment of the regulatory litigations and tax disputes to be reasonable, and the disclosure of contingent liabilities to be appropriate. The share of losses relating to the joint ventures' litigations and disputes were also found to be appropriately recorded.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

Taxation

The key audit matter

The Group is exposed to tax disputes with local tax authorities in the jurisdiction it operates in on a regular basis. The assessment of the outcome of such disputes requires significant judgement and could have a material impact on the financial statements.

Australian Tax Office ("ATO") audit

The Group has been responding to an on-going specific issue audit by the ATO in connection with the acquisition financing of Optus.

The Group has engaged external specialists to advise on this matter and to assist in raising objections to the amended assessments. Significant judgement is required in assessing the probability and timing of the outlays necessary for the resolution of this matter.

Please refer to Note 42 to the financial statements.

How the matter was addressed in our audit

Our audit procedures included:

- Inquiring with management on the tax issues raised by the tax authorities and assessing their impact to the financial statements;
- Involving our tax specialists in assessing the appropriateness of the accounting treatments of significant tax issues adopted by the Group; and
- Assessing the reasonableness of management's position and the accounting impact to the Group's consolidated financial statements.

With respect to the ATO matter:

- Involving our tax specialist in assessing the appropriateness of management's judgements taken on this matter, and the disclosure as a contingent liability, and that the amount paid continues to represent a receivable as at 31 March 2020;
- Examining the advice that the Group had obtained from external specialists to support the position taken by management; and
- Inquiring with management and the external specialists to discuss the appropriateness of the Group's position on the matter.

Findings

We found the position of management and the basis for it to be appropriate.

We found the disclosures to the consolidated financial statements to be adequate and appropriate in accordance to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

Implementation of SFRS(I) 16 Leases

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>On 1 April 2019, the Group adopted SFRS(I) 16 <i>Leases</i>, using the modified retrospective approach without restating prior periods' information.</p> <p>Management's judgement and estimates are required in the application of SFRS(I) 16, including the application of transition options and practical expedients and the determination of key assumptions used in measuring the lease liabilities.</p> <p>The accounting policies for leases are set out in Note 2.25 to the financial statements and the effects of the implementation of SFRS(I) 16 for the Group have been disclosed in Note 2.2 to the financial statements.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none">• Evaluating the appropriateness of the transition approach and practical expedients applied;• Identifying and testing of controls relating to the completeness and accuracy of lease information;• Assessing the reasonableness of management's key assumptions such as lease terms and discount rates used; and• Evaluating the completeness, accuracy and relevance of disclosures in the financial statements.

Findings

We found the transition approach and practical expedients applied to be appropriate. The controls to account for leases were operating effectively and the key assumptions used by management were found to be reasonable.

We found the disclosures to the consolidated financial statements to be adequate and appropriate in accordance to SFRS(I) 16 *Leases*.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have not obtained any other information prior to the date of this auditors' report. The other information is expected to be made available to us after the date of this auditors' report.

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

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

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.

Auditors' 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 auditors' 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 controls.
- 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 auditors' 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 auditors' 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 or 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 controls 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2020

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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 auditors' report is Mr Ong Pang Thye.



KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

27 May 2020

Consolidated Income Statement

For the financial year ended 31 March 2020

	Notes	2020 S\$ Mil	2019 S\$ Mil
Operating revenue	4	16,542.3	17,371.7
Operating expenses	5	(12,179.7)	(12,904.5)
Other income	6	178.8	224.7
		4,541.4	4,691.9
Depreciation and amortisation	7	(2,580.3)	(2,222.2)
		1,961.1	2,469.7
Exceptional items	8	415.7	68.2
Profit on operating activities		2,376.8	2,537.9
Share of results of associates and joint ventures	9	(529.6)	1,562.7
Profit before interest, investment income (net) and tax		1,847.2	4,100.6
Interest and investment income (net)	10	180.0	38.1
Finance costs	11	(461.8)	(392.8)
Profit before tax		1,565.4	3,745.9
Tax expense	12	(513.2)	(674.8)
Profit after tax		1,052.2	3,071.1
Attributable to:			
Shareholders of the Company		1,074.6	3,094.5
Non-controlling interests		(22.4)	(23.4)
		1,052.2	3,071.1
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	6.58	18.96
- diluted (cents)	13	6.56	18.93

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2020

	2020 S\$ Mil	2019 S\$ Mil
Profit after tax	1,052.2	3,071.1
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	(675.3)	(484.5)
Cash flow hedges		
- Fair value changes	506.9	182.9
- Tax effects	(84.3)	(23.7)
	422.6	159.2
- Fair value changes transferred to income statement	(433.2)	(122.4)
- Tax effects	84.2	17.8
	(349.0)	(104.6)
	73.6	54.6
Share of other comprehensive (loss)/ income of associates and joint ventures	(278.9)	283.8
Items that will not be reclassified subsequently to income statement:		
Fair value changes on Fair Value through Other Comprehensive Income ("FVOCI") investments	(184.9)	13.2
Other comprehensive loss, net of tax	(1,065.5)	(132.9)
Total comprehensive (loss)/ income	(13.3)	2,938.2
Attributable to:		
Shareholders of the Company	8.0	2,962.3
Non-controlling interests	(21.3)	(24.1)
	(13.3)	2,938.2

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Statements of Financial Position

As at 31 March 2020

	Notes	Group		Company	
		31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Current assets					
Cash and cash equivalents	15	999.6	512.7	97.3	81.6
Trade and other receivables	16	5,559.4	5,992.7	2,065.3	1,960.9
Inventories	17	279.6	417.6	26.3	37.2
Derivative financial instruments	18	337.2	155.1	5.3	0.7
		7,175.8	7,078.1	2,194.2	2,080.4
Non-current assets					
Property, plant and equipment	19	10,363.8	11,050.4	2,205.8	2,250.0
Right-Of-Use assets	20	2,060.5	-	623.5	-
Intangible assets	21	13,735.9	14,016.7	-	-
Subsidiaries	22	-	-	19,679.2	20,009.2
Joint ventures	23	11,637.7	12,857.9	22.8	22.8
Associates	24	2,074.1	2,060.2	24.7	24.7
Fair value through other comprehensive income ("FVOCI") investments	26	515.0	646.9	4.0	5.3
Derivative financial instruments	18	517.5	283.6	134.2	125.9
Deferred tax assets	12	234.2	276.6	-	-
Other assets	27	640.4	644.4	105.7	130.7
		41,779.1	41,836.7	22,799.9	22,568.6
Total assets		48,954.9	48,914.8	24,994.1	24,649.0
Current liabilities					
Trade and other payables	28	5,640.9	5,817.1	2,417.1	1,737.5
Advance billings		732.9	812.1	85.5	89.8
Current tax liabilities		199.4	255.0	76.4	83.6
Borrowings (unsecured)	29	3,588.2	1,846.2	-	-
Borrowings (secured)	30	382.3	34.0	63.2	4.8
Derivative financial instruments	18	14.0	9.2	-	0.5
Net deferred gain	32	20.8	20.8	-	-
		10,578.5	8,794.4	2,642.2	1,916.2
Non-current liabilities					
Advance billings		189.9	197.4	122.2	129.2
Borrowings (unsecured)	29	8,384.0	8,734.4	942.5	786.5
Borrowings (secured)	30	1,818.1	49.5	581.2	7.7
Derivative financial instruments	18	122.9	149.5	45.1	191.8
Net deferred gain	32	373.7	375.0	-	-
Deferred tax liabilities	12	525.5	515.1	275.5	274.5
Other non-current liabilities	33	148.3	289.8	18.7	26.5
		11,562.4	10,310.7	1,985.2	1,416.2
Total liabilities		22,140.9	19,105.1	4,627.4	3,332.4
Net assets		26,814.0	29,809.7	20,366.7	21,316.6
Share capital and reserves					
Share capital	34	4,127.3	4,127.3	4,127.3	4,127.3
Reserves		22,661.9	25,710.5	16,239.4	17,189.3
Equity attributable to shareholders of the Company					
Non-controlling interests		26,789.2	29,837.8	20,366.7	21,316.6
		24.8	(28.1)	-	-
Total equity		26,814.0	29,809.7	20,366.7	21,316.6

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Statements of Changes in Equity

For the financial year ended 31 March 2020

	Attributable to shareholders of the Company										
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil	Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
Group - 2020											
Balance as at 1 April 2019, previously reported	4,127.3	(31.7)	(76.3)	(1,767.5)	0.3	(10.3)	27,513.0	83.0	29,837.8	(28.1)	29,809.7
Effects of adoption of SFRS(I) 16	-	-	-	-	-	-	(211.2)	-	(211.2)	-	(211.2)
Balance as at 1 April 2019, restated	4,127.3	(31.7)	(76.3)	(1,767.5)	0.3	(10.3)	27,301.8	83.0	29,626.6	(28.1)	29,598.5
Changes in equity for the year											
Performance shares purchased by the Company	-	(1.8)	-	-	-	-	-	-	(1.8)	-	(1.8)
Performance shares purchased by the Company on behalf of subsidiaries	-	(1.2)	-	-	-	-	-	-	(1.2)	-	(1.2)
Performance shares purchased by Trust ⁽⁶⁾	-	(14.8)	-	-	-	-	-	-	(14.8)	-	(14.8)
Performance shares vested	-	18.5	(18.5)	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	31.5	-	-	-	-	-	31.5	-	31.5
Transfer of liability to equity	-	-	4.7	-	-	-	-	-	4.7	-	4.7
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
Performance shares purchased by Singtel Optus Pty Limited ("Optus") and vested	-	-	(5.2)	-	-	-	-	-	(5.2)	-	(5.2)
Goodwill reclassified on dilution of equity interest in joint venture	-	-	-	-	-	-	(91.7)	91.7	-	-	-
Final dividend paid (see Note 35)	-	-	-	-	-	-	(1,746.7)	-	(1,746.7)	-	(1,746.7)
Interim dividend paid (see Note 35)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	(1,110.0)
Dividend paid to non-controlling interests	-	-	(2.9)	-	-	-	-	-	(2.9)	(5.2)	(5.2)
Deconsolidation of subsidiary	-	-	-	-	-	-	-	-	-	79.4	76.5
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	(19.0)	19.0	-	-	-	-
Others	-	-	-	-	-	-	1.3	-	1.3	-	1.3
	-	0.7	9.3	-	-	(19.0)	(2,928.1)	91.7	(2,845.4)	74.2	(2,771.2)
Total comprehensive (loss)/income for the year	-	-	-	(676.4)	73.6	(184.9)	1,074.6	(278.9)	8.0	(21.3)	(13.3)
Balance as at 31 March 2020	4,127.3	(31.0)	(67.0)	(2,443.9)	73.9	(214.2)	25,448.3	(104.2)	26,789.2	24.8	26,814.0

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Statements of Changes in Equity

For the financial year ended 31 March 2020

	Attributable to shareholders of the Company											
	Share Capital	Treasury Shares ⁽¹⁾	Capital Reserve	Currency Translation Reserve ⁽²⁾	Hedging Reserve	Fair Value Reserve	Retained Earnings	Other Reserves ⁽³⁾	Total	Non-controlling Interests	Other Reserve ⁽⁴⁾	Total Equity
Group - 2019	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2018	4,127.3	(32.7)	(96.2)	(1,283.7)	(54.3)	(18.9)	27,269.4	(173.8)	29,737.1	(3.2)	(22.4)	29,711.5
Changes in equity for the year												
Performance shares purchased by the Company	-	(1.8)	-	-	-	-	-	-	(1.8)	-	-	(1.8)
Performance shares purchased by Trust ⁽⁵⁾	-	(17.5)	-	-	-	-	-	-	(17.5)	-	-	(17.5)
Performance shares vested	-	20.3	(20.3)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	38.0	-	-	-	-	-	38.0	-	-	38.0
Transfer of liability to equity	-	-	7.8	-	-	-	-	-	7.8	-	-	7.8
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Performance shares purchased by Optus and vested	-	-	(5.5)	-	-	-	-	-	(5.5)	-	-	(5.5)
Final dividend paid (see Note 35)	-	-	-	-	-	-	(1,746.7)	-	(1,746.7)	-	-	(1,746.7)
Interim dividend paid (see Note 35)	-	-	-	-	-	-	(1,109.9)	-	(1,109.9)	-	-	(1,109.9)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Acquisition of non-controlling interests ⁽⁴⁾	-	-	-	-	-	-	(27.0)	(27.0)	(27.0)	4.6	22.4	-
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	(4.6)	4.6	-	-	-	-	-
Others	-	-	-	-	-	-	1.1	-	1.1	-	-	1.1
	-	1.0	19.9	-	-	(4.6)	(2,850.9)	(27.0)	(2,861.6)	(0.8)	22.4	(2,840.0)
Total comprehensive (loss)/income for the year	-	-	-	(483.8)	54.6	13.2	3,094.5	283.8	2,962.3	(24.1)	-	2,938.2
Balance as at 31 March 2019	4,127.3	(31.7)	(76.3)	(1,767.5)	0.3	(10.3)	27,513.0	83.0	29,837.8	(28.1)	-	29,809.7

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Statements of Changes in Equity

For the financial year ended 31 March 2020

Company - 2020	Share Capital S\$ Mil	Treasury Shares⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2019, previously reported	4,127.3	(1.1)	45.2	24.2	2.0	17,119.0	21,316.6
Effects of adoption of SFRS(I) 16	-	-	-	-	-	(73.2)	(73.2)
Balance as at 1 April 2019, restated	4,127.3	(1.1)	45.2	24.2	2.0	17,045.8	21,243.4
Changes in equity for the year							
Performance shares purchased by the Company	-	(1.8)	-	-	-	-	(1.8)
Performance shares vested	-	1.3	(1.3)	-	-	-	-
Equity-settled share-based payment	-	-	12.2	-	-	-	12.2
Transfer of liability to equity	-	-	4.6	-	-	-	4.6
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust ⁽⁵⁾	-	-	(11.3)	-	-	-	(11.3)
Final dividend paid (see Note 35)	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid (see Note 35)	-	-	-	-	-	(1,110.4)	(1,110.4)
Others	-	-	-	-	-	1.3	1.3
	-	(0.5)	3.9	-	-	(2,856.3)	(2,852.9)
Total comprehensive income/ (loss) for the year	-	-	-	6.0	(1.3)	1,971.5	1,976.2
Balance as at 31 March 2020	4,127.3	(1.6)	49.1	30.2	0.7	16,161.0	20,366.7

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Statements of Changes in Equity

For the financial year ended 31 March 2020

Company - 2019	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2018	4,127.3	(1.0)	39.4	4.0	2.2	17,112.2	21,284.1
Changes in equity for the year							
Performance shares purchased by the Company	-	(1.8)	-	-	-	-	(1.8)
Performance shares vested	-	1.7	(1.7)	-	-	-	-
Equity-settled share-based payment	-	-	13.6	-	-	-	13.6
Transfer of liability to equity	-	-	7.8	-	-	-	7.8
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁵⁾	-	-	(13.8)	-	-	-	(13.8)
Final dividend paid (see Note 35)	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid (see Note 35)	-	-	-	-	-	(1,110.4)	(1,110.4)
	-	(0.1)	5.8	-	-	(2,857.6)	(2,851.9)
Total comprehensive income/ (loss) for the year	-	-	-	20.2	(0.2)	2,864.4	2,884.4
Balance as at 31 March 2019	4,127.3	(1.1)	45.2	24.2	2.0	17,119.0	21,316.6

Notes:

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

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2020

	2020 S\$ Mil	2019 S\$ Mil
Cash Flows From Operating Activities		
Profit before tax	1,565.4	3,745.9
Adjustments for -		
Depreciation and amortisation	2,580.3	2,222.2
Share of results of associates and joint ventures	529.6	(1,562.7)
Exceptional items (non-cash)	(486.0)	(171.7)
Interest and investment income (net)	(180.0)	(38.1)
Finance costs	461.8	392.8
Other non-cash items	35.6	36.3
	2,941.3	878.8
Operating cash flow before working capital changes	4,506.7	4,624.7
Changes in operating assets and liabilities		
Trade and other receivables	188.5	(431.6)
Trade and other payables	55.8	338.8
Inventories	119.5	(33.6)
Cash generated from operations	4,870.5	4,498.3
Dividends received from associates and joint ventures	1,439.2	1,548.9
Income tax and withholding tax paid	(491.9)	(679.5)
Payment to employees in cash under performance share plans	(0.5)	(0.1)
Net cash from operating activities	5,817.3	5,367.6
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	(2,036.6)	(1,718.1)
Purchase of intangible assets	(350.0)	(216.7)
Investment in associate/ joint venture (Note 1)	(761.8)	(2.3)
Payment for acquisition of intangibles and other assets (Note 2)	-	(123.1)
Deferred payment/ payment for acquisition of subsidiary, net of cash acquired (Note 3)	(4.2)	(5.8)
Payment for acquisition of FVOCI investments (Note 4)	(85.2)	(436.9)
Proceeds from disposal of subsidiary	-	15.4
Deconsolidation of subsidiary	(3.0)	-
Payment for acquisition of non-controlling interests	-	(16.1)
Proceeds/ Deferred proceeds from disposal of associate and joint venture	6.9	14.8
Proceeds from sale of property, plant and equipment	145.8	160.9
Proceeds from sale of FVOCI investments	30.8	14.8
Interest received	6.8	7.0
Investment income received from FVOCI investments (net of withholding tax paid)	147.7	0.3
Withholding tax paid on intra-group interest income	(18.0)	(22.7)
Net cash used in investing activities	(2,920.8)	(2,328.5)

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2020

	Note	2020 S\$ Mil	2019 S\$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		5,684.6	7,157.1
Repayment of term loans		(5,667.9)	(6,983.1)
Proceeds from bond issue		1,803.7	1,177.6
Repayment of bonds		(690.3)	(1,139.1)
Increase in finance lease liabilities		-	44.3
Lease payments		(403.9)	(34.5)
Net proceeds from borrowings		726.2	222.3
Final dividend paid to shareholders of the Company		(1,746.7)	(1,746.7)
Interim dividend paid to shareholders of the Company		(1,110.0)	(1,109.9)
Net interest paid on borrowings and swaps		(463.3)	(385.1)
Settlement of swaps for bonds repaid		173.9	(6.2)
Purchase of performance shares		(23.0)	(25.6)
Dividend paid to non-controlling interests		(5.2)	(5.4)
Others		1.3	1.1
Net cash used in financing activities		(2,446.8)	(3,055.5)
Net change in cash and cash equivalents		449.7	(16.4)
Exchange effects on cash and cash equivalents		37.2	4.2
Cash and cash equivalents at beginning of year		512.7	524.9
Cash and cash equivalents at end of year	15	999.6	512.7

Note 1: Investment in joint venture

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

Note 2: Payment for acquisition of intangibles and other assets

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

Note 3: Payment for acquisition of subsidiary

In the current financial year, deferred payment of S\$4.2 million was made in respect of the acquisition of Hivint Pty Limited ("Hivint").

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

Note 4: Payment for acquisition of FVOCI investments

In the previous financial year, a payment of S\$344 million (US\$250 million) was made for Singtel's acquisition of 5.7% equity interest in Airtel Africa Limited.

The accompanying notes on pages 161 to 259 form an integral part of these financial statements.
Independent Auditors' Report – pages 144 to 151.

Notes to the Financial Statements

For the financial year ended 31 March 2020

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 Limited. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 46**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032. In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide nationwide subscription television services.

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

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 27 May 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost basis, 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 SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Changes in significant accounting policies

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. Other than SFRS(I) 16 *Leases*, the adoption of the new or revised SFRS(I)s and Interpretations to SFRS(I) ("INT SFRS(I)") which were mandatory from 1 April 2019 had no significant impact on the financial statements of the Group or the Company in the current financial year.

The Group has adopted SFRS(I) 16 on a mandatory basis from 1 April 2019. The new policies for leases are described in **Note 2.25**. The Group has applied SFRS(I) 16 using the modified retrospective approach where the cumulative effects of initial application are recognised in the opening statement of financial position as at 1 April 2019, with no restatement of comparative information. The Group has elected to account for short term leases and leases of low-value assets as operating expenses on a straight-line basis. The right-of-use assets are measured at the carrying amounts discounted from the commencement date or amounts of the lease liabilities on adoption (adjusted for any prepaid or accrued lease expenses).

In applying SFRS(I) 16 for the first time, the Group has used the following practical expedients:

- (a) The use of single discount rate to a portfolio of leases with reasonably similar characteristics.
- (b) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- (c) On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS (I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 April 2019. The weighted average rate applied was 2.9%.

As at 1 April 2019, right-of-use assets and lease liabilities recorded under SFRS(I) 16 were S\$2.23 billion and S\$2.39 billion respectively. The undiscounted commitments for operating leases disclosed as at 31 March 2019 was S\$3.42 billion. The differences are mainly due to discounting and the reassessment of renewal periods for lease contracts for which the Group is reasonably certain to exercise.

2.3 Foreign Currencies

2.3.1 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3.2 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.

2.3.3 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 below for translation of goodwill and fair value adjustments).

Income and expenses in the consolidated income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the proportionate accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.3.4 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.

2.3.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve' in the consolidated financial statements. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.3.3**.

2.4 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Contract Assets

Where revenue recognised for a customer contract exceeds the amount received or receivable from a customer, a contract asset is recognised. Contract assets arise from bundled telecommunications contracts where equipment delivered at a point in time are bundled with services delivered over time. Contract assets also arise from information technology contracts where performance obligations are delivered over time (see **Note 2.24**). Contract assets are transferred to trade receivables when the consideration for performance obligations are billed. Contract assets are included in 'Trade and other receivables' under current assets as they are expected to be realised in the normal operating cycle. Contract assets are subject to impairment review for credit risk in accordance with the expected loss model.

2.6 Trade and Other Receivables

Trade and other receivables, including contract assets and receivables from subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss ("ECL").

The Group applied the 'simplified approach' for determining the allowance for ECL for trade receivables and contract assets, where lifetime ECL are recognised in the income statement at initial recognition of receivables and updated at each reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Group considers reasonable and supportable information that is relevant and available for customer types. This includes both qualitative and quantitative information based on the Group's historical experience and forward looking information such as general economic factors as applicable. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts.

Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.7 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.

2.8 Contract Liabilities

Where the amounts received or receivable from customers exceed the revenues recognised for contracts, contract liabilities or advance billings are recognised in the statement of financial position. Contract liabilities or advance billings are recognised as revenues when services are provided to customers.

2.9 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently stated at amortised cost using the effective interest method.

2.11 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.

For information technology contracts, a provision for expected project loss is made when it is probable that total contract costs will exceed total contract revenue.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.12 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which fair values can be reliably determined.

2.13 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.14**. The Group's accounting policy on goodwill is stated in **Note 2.20.1**.

2.13.1 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.

2.13.2 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13.2 Associates (Cont'd)

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

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

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

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

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

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

2.13.3 Joint ventures

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13.3 Joint ventures (Cont'd)

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

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

2.13.4 Dividends from associates and joint ventures

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

2.13.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under SFRS(I) 10, *Consolidated Financial Statements*.

2.13.6 Business combinations

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13.6 Business combinations (Cont'd)

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

2.14 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.

2.15 Fair Value Through Other Comprehensive Income ("FVOCI") Investments

On initial recognition, the Group has made an irrevocable election to designate all equity investments (other than investments in subsidiaries, associates or joint ventures) as FVOCI investments as these are strategic investments held for the long term. They are initially recognised at fair value plus directly attributable transaction costs, with subsequent changes in fair value and translation differences recognised in 'Other Comprehensive Income' and accumulated within 'Fair Value Reserve' in equity. Upon disposal, the gain or loss accumulated in equity is transferred to retained earnings and is not reclassified to the income statement. Dividends are recognised in the income statement when the Group's right to receive payments is established.

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

2.16 Derivative Financial Instruments and Hedging Activities

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

Cross currency swaps and interest rate swaps as fair value hedges for interest rate risk and cash flow hedges for 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 entities' functional currencies.

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

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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16.1 Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedge transactions. At inception and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting the changes in fair values or cash flows of the hedged item attributable to the hedged risk. To be effective, the hedging relationships are to meet all of the following requirements:

- (i) there is an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk does not dominate the fair value changes that result from that economic relationship; and
- (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and the quantity of the hedging instrument that the Group uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward currency contract (i.e. including the forwards elements) as the hedged risk for all its hedging relationships involving forward currency contracts.

Note 18.1 sets out the details of the fair values of the derivative instruments used for hedging purposes.

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 hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised in the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the 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' within equity are transferred to the income statement in the periods when the hedged items affect the income statement.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gain or loss previously recognised in 'Other Comprehensive Income' and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect 'Other Comprehensive Income'. Furthermore, if the Group expects some or all the loss accumulated in 'Other Comprehensive Income' will not be recovered in the future, that amount is immediately reclassified to the income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16.1 Hedge accounting (Cont'd)

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

2.17 Fair Value Estimation of Financial Instruments

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

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

Bank balances, receivables and payables, current borrowings

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

Quoted and unquoted investments

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

The fair values of unquoted investments are determined primarily using recent arm's length transactions.

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 quoted market 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.19 Property, Plant and Equipment

Property, plant and equipment are 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. The estimated useful lives are as follows –

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 15
Other plant and equipment	2 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Intangible Assets

2.20.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to the consolidated income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.21**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

When there is negative 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.

2.20.2 Other intangible assets

Expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 11 to 16 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to an 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 2.20.1**).

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 of disposal and its 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.

2.22 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 their carrying amounts and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

2.23 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 financial statements.

2.24 Revenue Recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of goods and services tax, rebates, discounts and sales within the Group.

Revenue from service contracts (e.g. telecommunications or pay TV) are recognised ratably over the contract periods as control over the services passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/ bytes of data).

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Revenue Recognition (Cont'd)

For prepaid cards which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third party dealer which generally coincides with delivery and acceptance of the equipment sold.

Goods and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own. The transaction price is allocated between goods and services based on their relative standalone selling prices. Standalone selling prices are determined by assessing prices paid for standalone equipment and for service-only contracts (e.g. arrangements where customers bring their own equipment). Where standalone selling prices are not directly observable, estimation techniques are used.

Contracts with customers generally do not include a material right. In cases where material rights are granted such as the award of mobile price plan discount vouchers, a portion of the transaction price is deferred as a contract liability (see **Note 2.8**) and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed.

Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract.

Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

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.

When the Group has control of goods or services prior to delivery to a customer, the Group is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue is recognised net of any related payments. The Group typically acts as an agent for digital mobile content such as music and video.

For information technology projects, revenue is recognised over time based on the cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference.

Revenues from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenues from digital advertising services and solutions are recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from sale of advertising space is recognised when the advertising space is filled and sold to customers. The Group is generally the principal in transactions carried out through Amobee's advertising platforms and therefore reports gross revenue based on the amount billed to customers.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Revenue Recognition (Cont'd)

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.

Revenue recognition for leases is described in **Note 2.25.2**.

2.25 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and accordingly, the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 *Leases*, and related interpretations. The details of the changes in accounting policies are disclosed below.

2.25.1 Lessee accounting

The Group is a lessee mainly for central offices, data centres, corporate offices, retail stores, network equipment, ducts and manholes.

From 1 April 2019

The Group implements a single accounting model where lessees recognise right-of-use assets and liabilities for all leases. The Group accounts for short term leases, i.e. leases with terms of 12 months or less, as well as low-valued assets as operating expenses in the income statement over the lease term.

A right-of-use asset and a lease liability are recognised at commencement date of the contract for all leases conveying the right to control the use of identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

Renewal and termination options exercisable by the Group are included in lease terms across the Group if the Group is reasonably certain that they are to be extended (or not terminated).

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the shorter of the asset's useful life or the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

Before 1 April 2019

Operating leases are leases where substantially all the risks and rewards of ownership are not transferred to the Group. Operating lease payments are recognised as operating expenses in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25.1 Lessee accounting (Cont'd)

Finance leases are those leasing agreements which effectively transfer substantially all the risks and benefits incidental to ownership of the leased items to the Group. 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. The liabilities to the lessor are recognised as finance lease obligations in the statement of financial position. Lease payments are apportioned between finance expenses and reduction of the lease liability to achieve a constant periodic rate of interest on the remaining balance of the liability.

2.25.2 Lessor accounting

The Group is a lessor mainly for data centres, ducts and fibres, as well as handsets.

Operating leases are leases where the Group retains substantially all the risks and rewards of ownership of the assets. Income from operating leases are recognised on a straight-line basis over the lease terms as the entitlement to the fees accrues. The leased assets are included in the statement of financial position as property, plant and equipment.

Finance leases are leases of assets where substantially all the risks and rewards incidental to ownership of the assets are transferred by the Group to the lessees. Receivables under finance leases are presented in the statement of financial position at an amount equal to the net investment in the leases and the leased assets are derecognised. Finance income is allocated using a constant periodic rate of return on the net investment over the lease term.

2.25.3 Intermediate lessor

The Group as an intermediate lessor accounts for a head lease and a sublease as two separate contracts. The sublease transaction is accounted as either finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Leasing transactions with customers are accounted as operating or finance leases by reference to the head lease.

2.25.4 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.26 Contract Costs

Sales commission and the costs of customer premise equipment directly attributable to obtaining and fulfilling a customer's contract are capitalised in the statement of financial position and amortised as operating expenses over the contract period or expected customer relationship period.

Costs to obtain contracts in the form of handset subsidies given to mobile customers via indirect channels are also capitalised in the statement of financial position but are amortised as a reduction of mobile service revenue over the contract period or expected customer relationship period. The contract period or expected customer relationship period typically ranges from 1 year to 5 years.

Capitalised contract costs are included in 'Other Assets' under non-current assets.

2.27 Employees' Benefits

2.27.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.27.2 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.

2.27.3 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 for as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.28 Borrowing Costs

Borrowing costs comprise interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging the borrowings, and 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.

2.29 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.30 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.

2.31 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in 'Other Comprehensive Income'.

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, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate, 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.31 Income Tax (Cont'd)

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.

2.32 Dividends

Interim and special dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.33 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.

2.34 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.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the future actual results. As accounting standards are principles-based, professional judgement is required under certain circumstances. The estimates, assumptions and judgements that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.21**.

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 of disposal and its value-in-use. In making this judgement, the Group evaluates the fair value less costs of disposal or value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

Notes to the Financial Statements

For the financial year ended 31 March 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS *(Cont'd)*

3.1 Impairment Reviews *(Cont'd)*

The assumptions used by management to determine the fair value less costs of disposal and value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 25**. The carrying values of joint ventures and associates including goodwill capitalised are stated in **Note 23** and **Note 24** respectively.

3.2 Expected Credit Loss ("ECL") of Receivables

At each reporting date, the Group assesses whether trade and other receivables are credit-impaired. The allowance for ECL is based on management's assessment of the collectability of individual customer accounts taking into consideration the credit worthiness and financial condition of those customers. The Group also records an allowance for all other receivables based on management's collective assessment of their collectability taking into consideration multiple factors including historical experience of credit losses, forward looking information as applicable and the aging of the receivables with allowances generally increasing as the receivable ages. If there is a deterioration of customers' financial condition or if future default rates in general differ from those currently anticipated, the Group may have to adjust the allowance for credit losses, which would affect earnings in the period that adjustments are made.

The exposure to credit risk for receivables is disclosed in **Note 16**.

3.3 Estimated Useful Lives of Property, Plant and Equipment

Property, plant and equipment balances represent a significant component of the Group's assets. Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of property, plant and equipment on an annual basis 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 would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax assets at each reporting date. A 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 for which the deferred tax asset has been recognised.

3.4.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matters disclosed in **Note 42(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements

For the financial year ended 31 March 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS *(Cont'd)*

3.5 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending on the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The Group uses expert valuation services to determine the fair values. The assumptions of the valuation model used to determine the fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2020, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 42**. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved.

The Group's associates and joint ventures also report significant contingent liabilities. The significant contingent liabilities of the Group's associates and joint ventures are disclosed in **Note 43**.

3.8 Revenue Recognition

The accounting policies for revenue recognition are stated in **Note 2.24**.

The application of SFRS(I) 15 requires the Group to exercise judgement in identifying distinct or non-distinct performance obligations. For bundled telecommunications contracts, the Group is required to estimate the standalone selling prices of performance obligations, which materially impacts the allocation of revenue between performance obligations. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone selling price. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price between performance obligations. When estimating the standalone selling price, the Group maximises the use of observable inputs.

The assessment of whether the Group presents operating revenue as the principal, or net after deduction of costs as an agent, is a matter of judgement which requires an analysis of both the legal form and the substance of contracts. Depending on the conclusion reached, there may be material differences in the amounts of revenues and expenses, though there is no impact on profit.

3.9 Leases

The application of SFRS(I) 16 requires the Group to exercise judgement and estimates in applying transition options and practical expedients, and in the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

Notes to the Financial Statements

For the financial year ended 31 March 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont'd)

3.9 Leases (Cont'd)

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in **Note 2.25**. The effects of the implementation of SFRS(I) 16 have been disclosed in **Note 2.2**.

4. OPERATING REVENUE

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Mobile service ⁽¹⁾	4,854.5	5,395.7
Sale of equipment	2,567.5	2,864.8
Handset operating lease income ⁽²⁾	200.4	140.5
Mobile	7,622.4	8,401.0
Data and Internet	3,611.9	3,352.8
Managed services	1,777.1	1,880.8
Cyber security	565.8	548.7
Business application services	564.1	485.1
Communication engineering	145.4	119.0
Infocomm Technology ("ICT") ⁽³⁾	3,052.4	3,033.6
Digital businesses ⁽⁴⁾	1,168.6	1,245.3
Fixed voice	705.2	899.0
Pay television	313.5	372.7
Others ⁽⁵⁾	68.3	67.3
Operating revenue	16,542.3	17,371.7
Operating revenue	16,542.3	17,371.7
Other income	178.8	224.7
Interest and investment income (see Note 10)	180.0	38.1
Total	16,901.1	17,634.5

Notes to the Financial Statements

For the financial year ended 31 March 2020

4. OPERATING REVENUE (Cont'd)

Notes:

- (1) Includes revenues from subscription (prepaid/postpaid), interconnect, outbound and inbound roaming, wholesale revenue from MVNOs (Mobile Virtual Network Operators) and mobile content services such as music and video.
 (2) Comprises revenue from lease of handsets to mobile customers. Handset leasing plans in Australia ceased from July 2019.
 (3) Includes equipment sales related to ICT services.
 (4) Mainly from provisions of digital marketing and advertising services.
 (5) Includes energy reselling fees.

As at 31 March 2020, the transaction price attributable to unsatisfied performance obligations for ICT services rendered by NCS Pte. Ltd. was approximately S\$3 billion (31 March 2019: S\$3 billion) which would substantially be recognised as operating revenue over the next 5 years.

Service contracts with consumers typically range from a month to 3 years, and contracts with enterprises typically range from 1 to 3 years.

5. OPERATING EXPENSES

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Cost of equipment sold ⁽¹⁾	3,060.9	3,106.1
Other cost of sales	2,622.3	2,757.0
Staff costs	2,426.1	2,590.0
Selling and administrative costs ⁽²⁾	2,087.0	2,490.0
Traffic expenses	1,593.3	1,573.4
Repair and maintenance	390.1	388.0
	12,179.7	12,904.5

Notes:

- (1) Includes equipment costs related to ICT services.
 (2) Includes supplies and services, as well as rentals of properties and mobile base stations for the previous financial year.

5.1 Staff Costs

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	203.6	225.1
Performance share and share option expenses		
- equity-settled arrangements	31.5	38.0
- cash-settled arrangements	7.5	3.3

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.2 Key Management Personnel Compensation

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Key management personnel compensation⁽¹⁾		
Executive director ⁽²⁾	3.1	3.5
Other key management personnel ⁽³⁾	13.0	15.9
	16.1	19.4
Directors' remuneration ⁽⁴⁾	3.0	2.7
	19.1	22.1

Notes:

- ⁽¹⁾ Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.
- ⁽²⁾ The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,062,602 (2019: 1,030,168) ordinary shares of Singtel pursuant to Singtel performance share plans, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with SFRS(I) 2, *Share-based Payment*, was S\$1.6 million (2019: S\$1.5 million).
- ⁽³⁾ The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Group Enterprise, Group Digital Life, International Group, and Group Strategy and Business Development (formerly the Chief Executive Officer of Consumer Australia), as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer, and Group Chief Technology Officer. The other key management personnel were awarded up to 3,612,224 (2019: 3,537,119) ordinary shares of Singtel pursuant to Singtel performance share plans, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with SFRS(I) 2 was S\$6.2 million (2019: S\$6.1 million).
- ⁽⁴⁾ Directors' remuneration comprises the following:
- (i) Directors' fees of S\$3.0 million (2019: S\$2.7 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as directors of Singtel Innov8 Pte. Ltd. and Amobee, Inc.
- (ii) Car-related benefits of the Chairman of S\$37,679 (2019: S\$24,557).
- In addition to the Directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 831,087 of share options pursuant to the Amobee Long-Term Incentive Plan in 2019. The share option expense computed in accordance with SFRS(I) 2 was S\$68,585 (2019: S\$104,278).

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 granted to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets or vesting conditions over the performance period, which is two and three years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

Additionally, early vesting of the performance shares can also occur under special circumstances as 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 2020	Outstanding as at 1 April 2019 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2020 '000
Date of grant						
<u>FY2017⁽¹⁾</u>						
20 June 2016	3,052	-	-	(3,013)	(39)	-
September 2016 to March 2017	14	-	-	(14)	-	-
<u>FY2018</u>						
19 June 2017	6,618	-	1,053	(3,879)	(229)	3,563
September 2017 to March 2018	234	-	23	(82)	(132)	43
<u>FY2019</u>						
19 June 2018	8,820	-	-	(106)	(873)	7,841
September 2018 to March 2019	306	-	-	-	(18)	288
<u>FY2020</u>						
20 June 2019	-	8,556	-	(11)	(767)	7,778
September 2019 to March 2020	-	223	-	-	-	223
	19,044	8,779	1,076	(7,105)	(2,058)	19,736

Note:

⁽¹⁾ "FY2017" denotes financial year ended 31 March 2017.

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

Group and Company 2019	Outstanding as at 1 April 2018 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2019 '000
Date of grant						
<u>FY2016</u>						
17 June 2015	2,187	-	-	(2,166)	(21)	-
September 2015 to March 2016	20	-	-	(20)	-	-
<u>FY2017</u>						
20 June 2016	4,911	-	1,748	(3,401)	(206)	3,052
September 2016 to March 2017	20	-	8	(14)	-	14
<u>FY2018</u>						
19 June 2017	7,293	-	-	(201)	(474)	6,618
September 2017 to March 2018	314	-	-	-	(80)	234
<u>FY2019</u>						
19 June 2018	-	9,529	-	(17)	(692)	8,820
September 2018 to March 2019	-	306	-	-	-	306
	14,745	9,835	1,756	(5,819)	(1,473)	19,044

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

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		
	19 June 2017	19 June 2018	20 June 2019
Fair value at grant date	S\$3.34	S\$2.85	S\$2.85
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.3%	14.6%	11.8%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2017	36 months historical volatility preceding May 2018	36 months historical volatility preceding May 2019
Risk free interest rates			
Yield of Singapore Government Securities on	7 June 2017	7 June 2018	6 June 2019
Cash-settled	Date of grant		
2020	19 June 2017	19 June 2018	20 June 2019
Fair value at 31 March 2020	S\$2.54	S\$2.46	S\$2.30
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	17.0%	17.0%	17.0%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2020		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2020	31 March 2020	31 March 2020

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

Cash-settled 2019	Date of grant		
	20 June 2016	19 June 2017	19 June 2018
Fair value at 31 March 2019	S\$3.02	S\$2.93	S\$2.77
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	12.1%	12.1%	12.1%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2019		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2019	31 March 2019	31 March 2019

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 2020	Outstanding as at 1 April 2019	Granted	Cancelled	Outstanding as at 31 March 2020
	'000			'000
Date of grant				
FY2017				
20 June 2016	8,275	-	(8,275)	-
September 2016 to March 2017	91	-	(91)	-
FY2018				
19 June 2017	4,540	-	(54)	4,486
September 2017 to March 2018	120	-	(103)	17
FY2019				
19 June 2018	4,008	-	(163)	3,845
September 2018 to March 2019	36	-	-	36
FY2020				
20 June 2019	-	6,181	(212)	5,969
September 2019 to March 2020	-	129	-	129
	17,070	6,310	(8,898)	14,482

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

Group and Company 2019	Outstanding as at 1 April 2018 '000	Granted '000	Cancelled '000	Outstanding as at 31 March 2019 '000
Date of grant				
<u>FY2016</u>				
17 June 2015	8,529	-	(8,529)	-
September 2015 to March 2016	157	-	(157)	-
<u>FY2017</u>				
20 June 2016	8,651	-	(376)	8,275
September 2016 to March 2017	91	-	-	91
<u>FY2018</u>				
19 June 2017	4,729	-	(189)	4,540
September 2017 to March 2018	156	-	(36)	120
<u>FY2019</u>				
19 June 2018	-	4,171	(163)	4,008
September 2018 to March 2019	-	36	-	36
	<u>22,313</u>	<u>4,207</u>	<u>(9,450)</u>	<u>17,070</u>

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		
	19 June 2017	19 June 2018	20 June 2019
Fair value at grant date	<u>S\$1.28</u>	<u>S\$1.77</u>	<u>S\$1.77</u>
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.3%	14.6%	11.8%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2017	36 months historical volatility preceding May 2018	36 months historical volatility preceding May 2019
Risk free interest rates			
Yield of Singapore Government Securities on	7 June 2017	7 June 2018	6 June 2019

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.1 Performance share plans (Cont'd)

Cash-settled 2020	Date of grant		
	19 June 2017	19 June 2018	20 June 2019
Fair value at 31 March 2020	-	S\$1.17	S\$1.54
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	17.0%	17.0%	17.0%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2020		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2020	31 March 2020	31 March 2020
Cash-settled 2019	Date of grant		
	20 June 2016	19 June 2017	19 June 2018
Fair value at 31 March 2019	-	S\$0.07	S\$1.23
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	12.1%	12.1%	12.1%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2019		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2019	31 March 2019	31 March 2019

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 and/or its subsidiaries are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.2 Amobee's share options - equity-settled arrangement (Cont'd)

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

Equity-settled		
Date of grant	Exercise price US\$	Fair value at grant/ repriced date US\$
<u>For employees</u>		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016, 25 January 2017	0.54	0.287
23 June 2016	0.54	0.273 to 0.287
19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	0.54	0.260 to 0.268
21 August 2018, 25 March 2019	0.55 to 0.58	0.259 to 0.266
15 August 2019, 29 October 2019	0.58	0.248 to 0.287
<u>For non-executive directors</u>		
14 October 2015	0.54	0.203
21 August 2018	0.55	0.181
1 October 2019	0.58	0.215

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

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2019 to 31 March 2020,

- (a) options in respect of an aggregate of 14.7 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries.
- (b) 73,988 ordinary shares of Amobee were issued pursuant to the exercise of options granted under the Amobee LTI Plan.

As at 31 March 2020, options in respect of an aggregate of 84.9 million of ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options - equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a wholly-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.3.3 Trustwave's share options - equity-settled arrangement (Cont'd)

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

Equity-settled	Exercise price	Fair value at
Date of grant	US\$	grant date
	US\$	US\$
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92
23 May 2018	15.37	6.80 to 7.05
12 July 2018	15.37	6.97
31 August 2018	15.37	6.17

The term of each option granted is 10 years from the date of grant.

The fair values for the stock options granted were estimated using the Black-Scholes pricing model.

From 1 April 2019 to 31 March 2020, no options in respect of common stock in Trustwave have been granted. As at 31 March 2020, options in respect of an aggregate of 1.2 million of common stock in Trustwave are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets –

	Group		Company	
	2020	2019	2020	2019
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Cost of Singtel shares, net of vesting	26.8	28.0	24.6	26.0
Cash at bank	0.4	0.5	0.4	0.4
	27.2	28.5	25.0	26.4

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. OPERATING EXPENSES (Cont'd)

5.4 Structured Entity (Cont'd)

The details of Singtel shares held by the Trust were as follows –

Group	Number of shares		Amount	
	2020 '000	2019 '000	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	8,231	7,613	28.0	29.1
Purchase of Singtel shares	4,506	5,504	14.8	17.5
Vesting of shares	(4,736)	(4,886)	(16.0)	(18.6)
Balance as at 31 March	8,001	8,231	26.8	28.0

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.23**.

5.5 Other Operating Expense Items

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Auditors' remuneration		
- KPMG LLP, Singapore	2.4	2.4
- KPMG, Australia	1.2	1.2
- Other KPMG offices	1.2	1.3
Non-audit fees ⁽¹⁾ paid to		
- KPMG LLP, Singapore	0.5	0.4
- KPMG, Australia	0.2	0.4
- Other KPMG offices	0.1	0.1
Impairment of trade receivables	191.5	121.8
Allowance for inventory obsolescence	1.6	1.1
Lease expenses for short term leases (under SFRS(I) 16)	27.0	-

Note:

⁽¹⁾ The non-audit fees for the current financial year ended 31 March 2020 included S\$0.4 million (2019: S\$0.4 million) and S\$0.2 million (2019: S\$0.2 million) paid to KPMG LLP, Singapore and KPMG, Australia in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, KPMG LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

Notes to the Financial Statements

For the financial year ended 31 March 2020

6. OTHER INCOME

Other income included the following items -

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Rental income	3.2	3.3
Net gains on disposal of property, plant and equipment	3.6	5.3
Net foreign exchange gains	5.2	3.4

7. DEPRECIATION AND AMORTISATION

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Depreciation of property, plant and equipment	1,825.6	1,896.1
Depreciation of right-of-use assets (under SFRS(I) 16)	403.0	-
Amortisation of intangible assets	351.7	326.1
	2,580.3	2,222.2

8. EXCEPTIONAL ITEMS

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Exceptional gains		
Gain on dilution of interest in joint ventures	671.6	-
Gain on disposal of property	96.6	105.5
Gain on sale and leaseback	-	42.4
Gain on disposal of a subsidiary	-	19.2
Gain on disposal of a joint venture	-	0.3
	768.2	167.4
Exceptional losses		
Impairment of goodwill of a subsidiary	(194.8)	-
Deconsolidation of subsidiary	(85.5)	-
Staff restructuring costs	(50.1)	(88.4)
Provision for contingent claims and other charges	(20.2)	(10.8)
Impairment of other intangibles	(1.9)	-
	(352.5)	(99.2)
	415.7	68.2

Notes to the Financial Statements

For the financial year ended 31 March 2020

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Share of ordinary results		
- joint ventures	1,553.5	1,338.2
- associates	190.8	197.7
	1,744.3	1,535.9
Share of net exceptional (losses)/ gains of associates and joint ventures (post-tax) ⁽¹⁾	(1,807.9)	301.1
Share of tax of ordinary results		
- joint ventures	(435.1)	(241.7)
- associates	(30.9)	(32.6)
	(466.0)	(274.3)
	(529.6)	1,562.7

Note:

⁽¹⁾ Comprised share of exceptional items from Airtel, Singapore Post and Intouch. The share of Airtel's exceptional items in the current financial year included provisions made for regulatory costs (including related penalties and interest charges as applicable) arising from (a) an adverse ruling on the definition of Adjusted Gross Revenue which forms the basis for payment of license fee and spectrum usage charges. Airtel continues to make representations to the Indian government and the Supreme Court for reliefs; and (b) one time spectrum charge.

Notes to the Financial Statements

For the financial year ended 31 March 2020

10. INTEREST AND INVESTMENT INCOME (NET)

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Interest income from		
- bank deposits	6.5	7.6
- others	1.2	0.7
	7.7	8.3
Dividends from joint ventures	10.8	13.0
Gross dividends and income from FVOCI investments	148.4	0.5
	166.9	21.8
Other foreign exchange gains	11.2	5.9
Other fair value gains	1.5	10.3
Fair value (losses)/ gains on fair value hedges		
- hedged items	(149.5)	(35.0)
- hedging instruments	149.9	35.1
	0.4	0.1
Fair value (losses)/ gains on cash flow hedges		
- hedged items	(431.8)	(122.4)
- hedging instruments	431.8	122.4
	-	-
	180.0	38.1

11. FINANCE COSTS

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Interest expense on		
- bonds	309.6	308.4
- bank loans	51.1	56.5
- lease liabilities ⁽¹⁾	81.7	8.2
	442.4	373.1
Financing related costs	16.8	17.0
Effects of hedging using interest rate swaps	2.6	2.7
	461.8	392.8

Note:

⁽¹⁾ Interest expense in the previous financial year was in respect of finance lease liabilities which were reclassified to lease liabilities with the adoption of SFRS(I) 16 *Leases* from 1 April 2019.

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. TAXATION

12.1 Tax Expense

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Current income tax		
- Singapore	207.5	223.5
- Overseas	110.5	223.7
	318.0	447.2
Deferred tax expense	47.0	36.2
Tax expense attributable to current year's profit	365.0	483.4
Adjustments in respect of prior years -		
Current income tax	9.5	5.0
Deferred income tax	(10.7)	12.4
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	149.4	174.0
	513.2	674.8

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	
	2020	2019
	S\$ Mil	S\$ Mil
Profit before tax	1,565.4	3,745.9
Less: Share of results of associates and joint ventures	529.6	(1,562.7)
	2,095.0	2,183.2
Tax calculated at tax rate of 17 per cent (2019: 17 per cent)	356.2	371.1
Effects of -		
Different tax rates of other countries	3.8	36.3
Income not subject to tax	(159.2)	(29.5)
Expenses not deductible for tax purposes	84.5	29.4
Deferred tax asset not recognised	82.9	79.1
Others	(3.2)	(3.0)
Tax expense attributable to current year's profit	365.0	483.4

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. TAXATION (Cont'd)

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 - 2020 Deferred tax assets	Provisions S\$ Mil	TWDV ⁽¹⁾ in excess of NBV ⁽²⁾ of depreciable assets S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2019, previously reported	37.4	50.7	213.3	301.4
Effects of adoption of SFRS(I) 16	-	-	116.7	116.7
Balance as at 1 April 2019, restated	37.4	50.7	330.0	418.1
Credited/ (Charged) to income statement	14.2	(26.1)	(19.0)	(30.9)
Charged to other comprehensive income	-	-	(0.1)	(0.1)
Transfer to current tax	(19.1)	-	(0.1)	(19.2)
Translation differences	(2.3)	(2.7)	(9.6)	(14.6)
Balance as at 31 March 2020	30.2	21.9	301.2	353.3

Group - 2020 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 2019, previously reported	(459.9)	(5.3)	(74.7)	(539.9)
Effects of adoption of SFRS(I) 16	-	-	(95.8)	(95.8)
Balance as at 1 April 2019, restated	(459.9)	(5.3)	(170.5)	(635.7)
(Charged)/ Credited to income statement	(23.8)	-	15.4	(8.4)
Transfer (from)/ to current tax	(1.2)	-	1.7	0.5
Translation differences	(0.4)	-	(0.6)	(1.0)
Balance as at 31 March 2020	(485.3)	(5.3)	(154.0)	(644.6)

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. TAXATION (Cont'd)

12.2 Deferred Taxes (Cont'd)

Group - 2019 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 2018	43.1	79.2	18.4	234.5	375.2
Credited/ (Charged) to income statement	2.3	(25.6)	(19.0)	(9.6)	(51.9)
Charged to other comprehensive income	-	-	-	(5.9)	(5.9)
Transfer to current tax	(5.3)	-	-	-	(5.3)
Translation differences	(2.7)	(2.9)	0.6	(5.7)	(10.7)
Balance as at 31 March 2019	37.4	50.7	-	213.3	301.4

Group - 2019 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 2018	(411.9)	(5.2)	(140.7)	(557.8)
(Charged)/ Credited to income statement	(47.2)	(0.1)	47.6	0.3
Transfer to current tax	-	-	19.7	19.7
Disposal of a subsidiary	(0.1)	-	-	(0.1)
Translation differences	(0.7)	-	(1.3)	(2.0)
Balance as at 31 March 2019	(459.9)	(5.3)	(74.7)	(539.9)

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. TAXATION (Cont'd)

12.2 Deferred Taxes (Cont'd)

Company - 2020 Deferred tax assets	Provisions S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2019, previously reported	0.4	11.9	12.3
Effects of adoption of SFRS(I) 16	-	116.7	116.7
Balance as at 1 April 2019, restated	0.4	128.6	129.0
Charged to income statement	-	(6.5)	(6.5)
Balance as at 31 March 2020	0.4	122.1	122.5

Company - 2020 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2019, previously reported	(286.8)	-	(286.8)
Effects of adoption of SFRS(I) 16	-	(95.8)	(95.8)
Balance as at 1 April 2019, restated	(286.8)	(95.8)	(382.6)
(Charged)/ Credited to income statement	(22.6)	7.2	(15.4)
Balance as at 31 March 2020	(309.4)	(88.6)	(398.0)

Company - 2019 Deferred tax assets	Provisions S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2018	0.5	10.8	11.3
(Charged)/ Credited to income statement	(0.1)	1.1	1.0
Balance as at 31 March 2019	0.4	11.9	12.3

Company - 2019 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Total S\$ Mil
Balance as at 1 April 2018	(279.5)	(279.5)
Charged to income statement	(7.3)	(7.3)
Balance as at 31 March 2019	(286.8)	(286.8)

Notes:

- (1) TWDV – Tax written down value
 (2) NBV – Net book value

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. TAXATION (Cont'd)

12.2 Deferred Taxes (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, were shown in the statements of financial position as follows –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Deferred tax assets	234.2	276.6	-	-
Deferred tax liabilities	(525.5)	(515.1)	(275.5)	(274.5)
	(291.3)	(238.5)	(275.5)	(274.5)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2020, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S\$1.61 billion (31 March 2019: S\$1.65 billion), of which S\$81 million (31 March 2019: S\$25 million) will expire in the next five years and S\$952 million (31 March 2019: S\$960 million) will expire from 2025 to 2040.

As at 31 March 2020, the subsidiaries of the Group also had estimated unutilised investment allowances of S\$43 million (31 March 2019: S\$46 million) and unutilised capital tax losses of S\$57 million (31 March 2019: S\$69 million). There were no unabsorbed capital allowances as at 31 March 2020 (31 March 2019: S\$19 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	
	2020 S\$ Mil	2019 S\$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	1,653.8	1,711.8
Unutilised capital tax losses	56.5	69.3

Notes to the Financial Statements

For the financial year ended 31 March 2020

13. EARNINGS PER SHARE

	Group	
	2020 '000	2019 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ⁽¹⁾	16,322,412	16,322,339
Adjustment for dilutive effects of performance share plans	26,816	19,963
Weighted average number of ordinary shares for calculation of diluted earnings per share	16,349,228	16,342,302

Note:

⁽¹⁾ Adjusted to exclude the number of performance shares held by the Trust and the Company.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue includes 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 2020

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	
	2020 S\$ Mil	2019 S\$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	86.8	100.3
Rental and maintenance	30.2	28.8
Associates		
Telecommunications	5.7	8.8
Joint ventures		
Telecommunications	38.1	48.3
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	40.8	35.2
Utilities	89.8	80.9
Depreciation of right-of-use assets (under SFRS(I) 16)	34.5	-
Interest expense on lease liabilities (under SFRS(I) 16)	10.2	-
Associates		
Telecommunications	130.7	149.3
Postal	6.7	7.8
Maintenance	8.0	6.5
Joint ventures		
Telecommunications	9.7	32.8
Transmission capacity	7.9	7.5
Others		
Subsidiaries of ultimate holding company		
Right-of-use assets (under SFRS(I) 16)	201.2	-
Lease liabilities (under SFRS(I) 16)	278.4	-
Associates		
Sale and leaseback gain from associate	-	42.4
Proceeds from sale of property, plant and equipment	-	2.4
Due from subsidiaries of ultimate holding company	18.3	37.1
Due to subsidiaries of ultimate holding company	10.7	11.0

All the above transactions were on normal commercial terms and conditions and at 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 2020

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Fixed deposits	152.0	153.5	65.7	42.4
Cash and bank balances	847.6	359.2	31.6	39.2
	999.6	512.7	97.3	81.6

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in currencies other than the respective functional currencies of the Group's entities were as follows –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
USD	131.0	106.5	69.8	44.8
HKD	21.8	22.3	1.8	*
EUR	15.1	4.1	5.7	0.5

* ** denotes less than S\$0.05 million.

The maturities of the fixed deposits were as follows –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Less than three months	137.2	142.9	65.7	42.4
Over three months	14.8	10.6	-	-
	152.0	153.5	65.7	42.4

As at 31 March 2020, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 0.8% (31 March 2019: 2.1%) per annum and 0.5% (31 March 2019: 2.2%) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 37.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2020

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Current				
Trade receivables	2,126.2	2,341.3	423.1	422.2
Contract assets	2,555.6	2,591.0	16.9	22.0
	4,681.8	4,932.3	440.0	444.2
Less: Allowance for ECL	(310.8)	(259.7)	(93.5)	(94.3)
	4,371.0	4,672.6	346.5	349.9
Other receivables	399.7	421.9	34.3	22.8
Loans to subsidiaries	-	-	116.1	122.4
Less: Allowance for ECL	-	-	-	(9.3)
	-	-	116.1	113.1
Amount due from subsidiaries				
- trade	-	-	879.1	828.8
- non-trade	-	-	691.3	585.6
Less: Allowance for ECL	-	-	(70.1)	(45.4)
	-	-	1,500.3	1,369.0
Amount due from associates and joint ventures				
- trade	17.2	30.3	1.7	1.3
- non-trade	142.3	98.9	2.4	2.0
	159.5	129.2	4.1	3.3
Prepayments	545.8	685.0	46.5	73.5
Interest receivable	66.0	70.3	17.5	29.3
Others	17.4	13.7	-	-
	5,559.4	5,992.7	2,065.3	1,960.9

"ECL" denotes expected credit loss.

Trade receivables are non-interest bearing and are generally on 14-day or 30-day terms, while balances due from carriers are on 60-day terms. There was no significant change in contract assets during the year.

As at 31 March 2020, the effective interest rate of an amount due from a subsidiary of S\$387.1 million (31 March 2019: S\$331.0 million) was 0.004% (31 March 2019: 0.33%) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 March 2020

16. TRADE AND OTHER RECEIVABLES (Cont'd)

The age analysis of trade receivables and contract assets (before allowance for expected credit loss) was as follows -

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Less than 60 days	4,189.7	4,393.5	292.3	297.1
61 to 120 days	144.2	173.2	38.9	61.2
More than 120 days	347.9	365.6	108.8	85.9
	4,681.8	4,932.3	440.0	444.2

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows -

	Group		Company	
	2020 S\$ Mil	2019 S\$ Mil	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	259.7	263.8	94.3	96.4
Acquisition of a subsidiary	-	0.9	-	-
Allowance	203.8	146.4	27.0	30.5
Utilisation of allowance	(120.9)	(120.3)	(26.9)	(26.6)
Write-back of allowance	(12.3)	(24.6)	(0.9)	(6.0)
Translation differences	(19.5)	(6.5)	-	-
Balance as at 31 March	310.8	259.7	93.5	94.3

The maximum exposure to credit risk for trade receivables and contract assets were as follows -

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Individuals	2,195.9	2,269.4	114.5	131.8
Corporations and others	2,175.1	2,403.2	232.0	218.1
	4,371.0	4,672.6	346.5	349.9

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

Notes to the Financial Statements

For the financial year ended 31 March 2020

17. INVENTORIES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Equipment held for resale	251.9	379.1	0.2	0.1
Maintenance and capital works' inventories	27.7	38.5	26.1	37.1
	279.6	417.6	26.3	37.2

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2020 S\$ Mil	2019 S\$ Mil	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	280.0	64.6	(65.7)	(135.1)
Fair value gains				
- included in income statement	585.8	163.5	155.6	50.1
- included in 'Hedging Reserve'	60.8	59.6	4.5	19.3
Settlement of swaps for bonds repaid	(173.9)	6.2	-	-
Translation differences	(34.9)	(13.9)	-	-
Balance as at 31 March	717.8	280.0	94.4	(65.7)

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Disclosed as -				
Current asset	337.2	155.1	5.3	0.7
Non-current asset	517.5	283.6	134.2	125.9
Current liability	(14.0)	(9.2)	-	(0.5)
Non-current liability	(122.9)	(149.5)	(45.1)	(191.8)
	717.8	280.0	94.4	(65.7)

Notes to the Financial Statements

For the financial year ended 31 March 2020

18. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

18.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S\$10.6 million (31 March 2019: S\$16.3 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		Company	
	Fair values		Fair values	
	Assets	Liabilities	Assets	Liabilities
2020	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Fair value and cash flow hedges				
Cross currency swaps	792.9	15.4	123.2	15.4
Interest rate swaps	17.9	121.5	-	29.7
Forward foreign exchange contracts	43.9	-	16.3	-
	854.7	136.9	139.5	45.1
Disclosed as –				
Current	337.2	14.0	5.3	-
Non-current	517.5	122.9	134.2	45.1
	854.7	136.9	139.5	45.1
	Group		Company	
	Fair values		Fair values	
	Assets	Liabilities	Assets	Liabilities
2019	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Fair value and cash flow hedges				
Cross currency swaps	414.6	95.5	1.0	60.2
Interest rate swaps	11.1	59.8	-	8.9
Forward foreign exchange contracts	12.9	1.5	3.3	1.0
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	104.7	104.7
Interest rate swaps	-	1.9	17.5	17.5
Forward foreign exchange contracts	0.1	-	0.1	-
	438.7	158.7	126.6	192.3
Disclosed as –				
Current	155.1	9.2	0.7	0.5
Non-current	283.6	149.5	125.9	191.8
	438.7	158.7	126.6	192.3

Notes to the Financial Statements

For the financial year ended 31 March 2020

18. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

18.1 Fair Values (Cont'd)

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 2021, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 29**.

As at 31 March 2020, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Interest rate swaps				
Notional principal (S\$ million equivalent)	3,832.4	2,557.4	703.4	2,663.4
Fixed interest rates	1.6% - 5.4%	2.0% - 6.2%	1.9% - 3.9%	2.0% - 4.5%
Floating interest rates	0.2% - 1.9%	1.8% - 3.6%	-	1.8% - 3.6%
Cross currency swaps				
Notional principal (S\$ million equivalent)	5,891.5	4,600.2	712.7	5,014.4
Fixed interest rates	2.6% - 7.5%	2.6% - 7.5%	5.2%	2.4% - 5.2%
Floating interest rates	1.3% - 3.5%	2.3% - 4.0%	3.0% - 3.5%	2.3% - 4.0%
Forward foreign exchange				
Notional principal (S\$ million equivalent)	604.6	705.7	242.2	306.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered into by the Company are re-priced every six months.

Notes to the Financial Statements

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19. PROPERTY, PLANT AND EQUIPMENT

Group - 2020	Freehold land	Leasehold land	Buildings	Transmission plant and equipment	Switching equipment	Other plant and equipment	Capital work-in-progress	Total
	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil
Cost								
Balance as at 1 April 2019	20.3	252.5	910.2	20,037.4	2,522.8	7,537.0	1,662.0	32,942.2
Additions (net of rebates)	-	-	5.1	84.4	14.9	198.4	1,748.4	2,051.2
Disposals/ Write-offs	-	-	(11.9)	(113.0)	(172.3)	(998.6)	(41.2)	(1,337.0)
Reclassifications/ Adjustments	1.3	(252.5)	6.8	1,158.6	420.3	106.0	(1,730.7)	(290.2)
Translation differences	(1.9)	-	(26.7)	(1,434.4)	(109.6)	(326.1)	(76.6)	(1,975.3)
Balance as at 31 March 2020	19.7	-	883.5	19,733.0	2,676.1	6,516.7	1,561.9	31,390.9
Accumulated depreciation								
Balance as at 1 April 2019	-	72.2	380.7	14,005.6	1,951.4	5,447.1	-	21,857.0
Depreciation charge for the year	-	-	42.6	1,010.4	117.2	655.4	-	1,825.6
Disposals/ Write-offs	-	-	(4.8)	(111.9)	(171.3)	(998.3)	-	(1,286.3)
Reclassifications/ Adjustments	-	(72.2)	-	-	-	(8.5)	-	(80.7)
Translation differences	-	-	(2.4)	(998.7)	(57.5)	(254.7)	-	(1,313.3)
Balance as at 31 March 2020	-	-	416.1	13,905.4	1,839.8	4,841.0	-	21,002.3
Accumulated impairment								
Balance as at 1 April 2019	-	2.0	7.3	5.4	0.3	19.8	-	34.8
Disposals/ Write-offs	-	-	(6.9)	-	-	-	-	(6.9)
Reclassifications/ Adjustments	-	(2.0)	-	-	-	-	-	(2.0)
Translation differences	-	-	-	-	-	(1.1)	-	(1.1)
Balance as at 31 March 2020	-	-	0.4	5.4	0.3	18.7	-	24.8
Net Book Value as at 31 March 2020	19.7	-	467.0	5,822.2	836.0	1,657.0	1,561.9	10,363.8

Notes to the Financial Statements

For the financial year ended 31 March 2020

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group - 2019	Freehold land	Leasehold land	Buildings	Transmission plant and equipment	Switching equipment	Other plant and equipment	Capital work-in-progress	Total
	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil	\$ Mil
Cost								
Balance as at 1 April 2018	21.2	264.7	911.1	19,932.8	2,617.9	7,252.5	1,567.5	32,567.7
Additions (net of rebates)	-	4.6	0.4	50.3	18.8	139.2	1,729.2	1,942.5
Disposals/ Write-offs	-	(3.4)	(4.0)	(45.0)	(138.8)	(196.6)	(2.1)	(389.9)
Acquisition of a subsidiary	-	-	-	-	-	0.1	-	0.1
Disposal of a subsidiary	-	(13.9)	-	(18.9)	-	(0.1)	-	(32.9)
Reclassifications/ Adjustments	-	-	17.0	855.3	73.3	538.9	(1,589.9)	(105.4)
Translation differences	(0.9)	0.5	(14.3)	(737.1)	(48.4)	(197.0)	(42.7)	(1,039.9)
Balance as at 31 March 2019	20.3	252.5	910.2	20,037.4	2,522.8	7,537.0	1,662.0	32,942.2
Accumulated depreciation								
Balance as at 1 April 2018	-	81.8	360.7	13,515.6	1,986.3	5,133.8	-	21,078.2
Depreciation charge for the year	-	4.3	24.0	1,044.8	134.7	688.3	-	1,896.1
Disposals/ Write-offs	-	(0.5)	(3.4)	(32.3)	(138.8)	(188.6)	-	(363.6)
Disposal of a subsidiary	-	(13.9)	-	(18.1)	-	(0.1)	-	(32.1)
Reclassifications/ Adjustments	-	-	-	-	-	(38.6)	-	(38.6)
Translation differences	-	0.5	(0.6)	(504.4)	(30.8)	(147.7)	-	(683.0)
Balance as at 31 March 2019	-	72.2	380.7	14,005.6	1,951.4	5,447.1	-	21,857.0
Accumulated impairment								
Balance as at 1 April 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Translation differences	-	-	-	-	-	(0.6)	-	(0.6)
Balance as at 31 March 2019	-	2.0	7.3	5.4	0.3	19.8	-	34.8
Net Book Value as at 31 March 2019	20.3	178.3	522.2	6,026.4	571.1	2,070.1	1,662.0	11,050.4

Notes to the Financial Statements

For the financial year ended 31 March 2020

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2020	Freehold land	Leasehold land	Buildings	Transmission plant and equipment	Switching equipment	Other plant and equipment	Capital work-in-progress	Total
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Cost								
Balance as at 1 April 2019	0.4	229.4	524.4	3,120.4	688.2	1,972.1	529.3	7,064.2
Additions (net of rebates)	-	-	4.3	26.0	1.2	107.5	325.9	464.9
Disposals/ Write-offs	-	-	(10.1)	(54.7)	(154.9)	(54.7)	(41.2)	(315.6)
Reclassifications	-	(229.4)	2.5	90.0	27.1	84.2	(203.8)	(229.4)
Balance as at 31 March 2020	0.4	-	521.1	3,181.7	561.6	2,109.1	610.2	6,984.1
Accumulated depreciation								
Balance as at 1 April 2019	-	62.7	310.4	2,429.8	619.5	1,378.5	-	4,800.9
Depreciation charge for the year	-	-	15.8	102.7	30.7	151.8	-	301.0
Disposals/ Write-offs	-	-	(3.1)	(53.6)	(154.1)	(54.5)	-	(265.3)
Reclassifications	-	(62.7)	-	-	-	-	-	(62.7)
Balance as at 31 March 2020	-	-	323.1	2,478.9	496.1	1,475.8	-	4,773.9
Accumulated impairment								
Balance as at 1 April 2019	-	2.0	7.2	4.1	-	-	-	13.3
Disposals/ Write-offs	-	-	(6.9)	-	-	-	-	(6.9)
Reclassifications	-	(2.0)	-	-	-	-	-	(2.0)
Balance as at 31 March 2020	-	-	0.3	4.1	-	-	-	4.4
Net Book Value as at 31 March 2020	0.4	-	197.7	698.7	65.5	633.3	610.2	2,205.8

Notes to the Financial Statements

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19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2019	Freehold land	Leasehold land	Buildings	Transmission plant and equipment	Switching equipment	Other plant and equipment	Capital work-in-progress	Total
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Cost								
Balance as at 1 April 2018	0.4	228.2	523.1	3,079.6	768.2	1,937.2	403.0	6,939.7
Additions (net of rebates)	-	4.6	0.4	22.6	1.8	23.0	287.2	339.6
Disposals/ Write-offs	-	(3.4)	(4.0)	(32.1)	(100.1)	(73.4)	(2.1)	(215.1)
Reclassifications	-	-	4.9	50.3	18.3	85.3	(158.8)	-
Balance as at 31 March 2019	0.4	229.4	524.4	3,120.4	688.2	1,972.1	529.3	7,064.2
Accumulated depreciation								
Balance as at 1 April 2018	-	59.2	293.0	2,346.1	682.2	1,286.5	-	4,667.0
Depreciation charge for the year	-	4.0	20.8	103.2	37.4	154.8	-	320.2
Disposals/ Write-offs	-	(0.5)	(3.4)	(19.5)	(100.1)	(62.8)	-	(186.3)
Balance as at 31 March 2019	-	62.7	310.4	2,429.8	619.5	1,378.5	-	4,800.9
Accumulated impairment								
Balance as at 1 April 2018	-	-	-	-	-	-	-	-
and 31 March 2019	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2019	0.4	164.7	206.8	686.5	68.7	593.6	529.3	2,250.0

Notes to the Financial Statements

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19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Property, plant and equipment included the following -

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Net book value of property, plant and equipment				
Staff costs capitalised	200.2	188.3	31.4	25.9

20. RIGHT-OF-USE ASSETS

Group - 2020	Mobile base stations/ Central offices S\$ Mil	Other properties S\$ Mil	Equipment S\$ Mil	Others S\$ Mil	Total S\$ Mil
Cost					
Balance as at 1 April 2019	1,518.3	577.1	458.3	9.4	2,563.1
Additions (net of rebates)	112.3	62.8	41.7	2.0	218.8
Disposals/ Write-offs	(2.4)	(81.5)	-	-	(83.9)
Reclassifications/ Adjustments	6.0	244.4	26.3	-	276.7
Translation differences	(138.1)	(4.1)	2.1	(1.0)	(141.1)
Balance as at 31 March 2020	1,496.1	798.7	528.4	10.4	2,833.6
Accumulated depreciation					
Balance as at 1 April 2019	-	191.4	139.2	-	330.6
Depreciation charge for the year	267.2	81.0	50.6	4.2	403.0
Disposals/ Write-offs	-	(22.7)	-	-	(22.7)
Reclassifications/ Adjustments	3.0	70.7	5.1	-	78.8
Translation differences	(16.0)	(0.9)	0.5	(0.2)	(16.6)
Balance as at 31 March 2020	254.2	319.5	195.4	4.0	773.1
Net Book Value as at 31 March 2020	1,241.9	479.2	333.0	6.4	2,060.5

Notes to the Financial Statements

For the financial year ended 31 March 2020

20. RIGHT-OF-USE ASSETS (Cont'd)

Company - 2020	Central offices S\$ Mil	Other properties S\$ Mil	Equipment S\$ Mil	Others S\$ Mil	Total S\$ Mil
Cost					
Balance as at 1 April 2019	12.9	426.2	454.2	0.5	893.8
Additions (net of rebates)	-	3.4	11.5	-	14.9
Disposals/ Write-offs	-	(81.5)	-	-	(81.5)
Reclassifications/ Adjustments	6.0	223.4	-	-	229.4
Balance as at 31 March 2020	18.9	571.5	465.7	0.5	1,056.6
Accumulated depreciation					
Balance as at 1 April 2019	-	191.4	139.2	-	330.6
Depreciation charge for the year	6.4	13.2	40.7	0.2	60.5
Disposals/ Write-offs	-	(22.7)	-	-	(22.7)
Reclassifications/ Adjustments	3.0	61.7	-	-	64.7
Balance as at 31 March 2020	9.4	243.6	179.9	0.2	433.1
Net book value as at 31 March 2020	9.5	327.9	285.8	0.3	623.5

21. INTANGIBLE ASSETS

	Group	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Goodwill on acquisition of subsidiaries	11,429.9	11,538.3
Telecommunications and spectrum licences	2,024.7	2,116.2
Technology and brand	143.9	183.9
Customer relationships and others	137.4	178.3
	13,735.9	14,016.7

Notes to the Financial Statements

For the financial year ended 31 March 2020

21. INTANGIBLE ASSETS (Cont'd)

21.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	11,538.3	11,372.2
Acquisition of subsidiaries	-	109.9
Impairment charge for the year	(194.8)	-
Translation differences	86.4	56.2
Balance as at 31 March	11,429.9	11,538.3
Cost	11,632.3	11,538.3
Accumulated impairment	(202.4)	-
Net book value as at 31 March	11,429.9	11,538.3

21.2 Telecommunications and Spectrum Licences

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	2,116.2	2,355.5
Additions	286.1	130.2
Amortisation for the year	(205.9)	(210.0)
Reclassification/ Adjustment	-	(71.8)
Translation differences	(171.7)	(87.7)
Balance as at 31 March	2,024.7	2,116.2
Cost	3,610.0	3,622.9
Accumulated amortisation	(1,579.1)	(1,500.5)
Accumulated impairment	(6.2)	(6.2)
Net book value as at 31 March	2,024.7	2,116.2

Notes to the Financial Statements

For the financial year ended 31 March 2020

21. INTANGIBLE ASSETS (Cont'd)

21.3 Technology and Brand

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Balance as at 1 April	183.9	204.6
Acquisition of a subsidiary	-	18.8
Amortisation for the year	(47.8)	(46.5)
Translation differences	7.8	7.0
Balance as at 31 March	<u>143.9</u>	<u>183.9</u>
Cost	618.6	611.7
Accumulated amortisation	(382.0)	(334.8)
Accumulated impairment	(92.7)	(93.0)
Net book value as at 31 March	<u>143.9</u>	<u>183.9</u>

21.4 Customer Relationships and Others

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Balance as at 1 April	178.3	36.8
Additions	72.6	86.6
Amortisation for the year	(98.0)	(69.6)
Impairment charge for the year	(1.9)	-
Disposals	(21.7)	(0.1)
Reclassification/ Adjustment	-	125.3
Translation differences	8.1	(0.7)
Balance as at 31 March	<u>137.4</u>	<u>178.3</u>
Cost	491.6	437.1
Accumulated amortisation	(352.3)	(258.8)
Accumulated impairment	(1.9)	-
Net book value as at 31 March	<u>137.4</u>	<u>178.3</u>

Notes to the Financial Statements

For the financial year ended 31 March 2020

22. SUBSIDIARIES

	Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Unquoted equity shares, at cost	15,036.1	14,259.7
Shareholders' advances	5,733.0	5,733.0
Deemed investment in a subsidiary	32.5	32.5
	20,801.6	20,025.2
<i>Less: Allowance for impairment losses</i>	(1,122.4)	(16.0)
	19,679.2	20,009.2

The advances given to subsidiaries were interest-free and 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 46.1** to **Note 46.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. JOINT VENTURES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Quoted equity shares, at cost	3,533.4	2,798.4	-	-
Unquoted equity shares, at cost	5,791.5	5,777.9	22.8	22.8
	9,324.9	8,576.3	22.8	22.8
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)	8,012.8	9,635.7	-	-
Translation differences	(4,444.1)	(4,098.2)	-	-
	2,342.8	4,311.6	-	-
Less: Allowance for impairment losses	(30.0)	(30.0)	-	-
	11,637.7	12,857.9	22.8	22.8

As at 31 March 2020,

- (i) The market value of the quoted equity shares in joint ventures held by the Group was S\$24.55 billion (31 March 2019: S\$18.89 billion).
- (ii) The Group's proportionate interest in the capital commitments of joint ventures was S\$2.45 billion (31 March 2019: S\$1.97 billion).

The details of joint ventures are set out in **Note 46.5**.

Optus has an interest in an unincorporated joint operation to share certain 4G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (31 March 2019: 50%) in the assets, with access to the shared network and shares 50% (31 March 2019: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation amounting to S\$1.08 billion (31 March 2019: S\$1.10 billion).

Notes to the Financial Statements

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23. JOINT VENTURES (Cont'd)

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("Airtel"), PT Telekomunikasi Selular ("Telkomsel"), Globe Telecom, Inc. ("Globe") and Advanced Info Service Public Company Limited ("AIS"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group - 2020	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Statement of comprehensive income				
Revenue	16,982.6	8,848.6	4,464.7	8,002.1
Depreciation and amortisation	(5,371.8)	(1,893.5)	(935.4)	(2,233.4)
Interest income	336.1	47.3	10.1	10.9
Interest expense	(2,701.7)	(262.4)	(178.9)	(227.0)
Income tax credit/ (expense)	2,350.8	(811.9)	(280.5)	(257.0)
(Loss)/ Profit after tax	(5,995.8)	2,527.6	590.5	1,325.1
Other comprehensive (loss)/ income	(230.2)	(40.3)	(44.2)	3.1
Total comprehensive (loss)/ income	(6,226.0)	2,487.3	546.3	1,328.2
Statement of financial position				
Current assets	14,470.6	2,062.7	2,002.7	2,401.9
Non-current assets	53,535.9	7,402.2	6,886.5	13,862.4
Current liabilities	(24,837.2)	(2,420.5)	(2,529.2)	(5,450.8)
Non-current liabilities	(24,135.3)	(2,177.3)	(3,996.7)	(8,002.2)
Net assets	19,034.0	4,867.1	2,363.3	2,811.3
Less: Non-controlling interests	(4,626.2)	*	4.1	(5.6)
Net assets attributable to equity holders	14,407.8	4,867.1	2,367.4	2,805.7
Proportion of the Group's ownership	33.3%	35.0%	47.0%	23.3% ⁽¹⁾
Group's share of net assets	4,796.3	1,703.5	1,113.4	654.3
Goodwill capitalised	1,238.5	1,403.6	381.1	313.2
Others ⁽²⁾	92.8	-	(143.6)	(17.0)
Carrying amount of the investment	6,127.6	3,107.1	1,350.9	950.5
Other items				
Cash and cash equivalents	3,000.6	1,194.7	405.6	1,406.4
Non-current financial liabilities excluding trade and other payables	(23,165.3)	(1,816.4)	(3,579.9)	(3,012.8)
Current financial liabilities excluding trade and other payables	(6,199.9)	(474.4)	(533.7)	(1,116.2)
Group's share of market value	15,118.3	NA	3,377.9	6,049.1
Dividends received during the year	-	905.7	154.3	212.4

"NA" denotes Not Applicable.

"*" denotes amount of less than S\$0.05 million.

Notes:

⁽¹⁾ Based on the Group's direct equity interest in AIS.

⁽²⁾ Others include adjustments to align the respective local accounting standards to SFRS(I).

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. JOINT VENTURES (Cont'd)

Group - 2019	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Statement of comprehensive income				
Revenue	15,671.4	8,461.0	3,980.2	7,146.6
Depreciation and amortisation	(4,141.4)	(1,265.9)	(793.7)	(1,455.6)
Interest income	276.3	50.1	13.6	6.8
Interest expense	(2,123.0)	(99.3)	(166.6)	(141.0)
Income tax credit/ (expense)	663.3	(816.1)	(249.4)	(243.5)
Profit after tax	183.5	2,407.6	532.5	1,228.3
Other comprehensive (loss)/ income	(202.3)	36.0	5.3	-
Total comprehensive (loss)/ income	(18.8)	2,443.6	537.8	1,228.3
Statement of financial position				
Current assets	6,448.6	2,614.3	1,724.0	1,965.8
Non-current assets	47,339.4	5,893.0	5,838.9	10,700.0
Current liabilities	(18,236.1)	(2,138.8)	(1,981.4)	(3,388.7)
Non-current liabilities	(19,113.3)	(913.0)	(3,606.5)	(6,853.1)
Net assets	16,438.6	5,455.5	1,975.0	2,424.0
Less: Non-controlling interests	(2,558.1)	*	0.6	(5.4)
Net assets attributable to equity holders	13,880.5	5,455.5	1,975.6	2,418.6
Proportion of the Group's ownership	39.5%	35.0%	47.1%	23.3% ⁽¹⁾
Group's share of net assets	5,484.2	1,909.4	930.1	564.0
Goodwill capitalised	1,508.4	1,403.6	375.1	308.1
Others ⁽²⁾	427.8	-	(129.5)	(8.1)
Carrying amount of the investment	7,420.4	3,313.0	1,175.7	864.0
Other items				
Cash and cash equivalents	1,588.5	1,267.3	427.0	960.5
Non-current financial liabilities excluding trade and other payables	(18,359.7)	(560.9)	(3,352.2)	(482.1)
Current financial liabilities excluding trade and other payables	(7,732.5)	(78.8)	(224.8)	(3,929.1)
Group's share of market value	10,309.9	NA	3,130.5	5,447.4
Dividends received during the year	58.7	954.4	144.1	211.2

"NA" denotes Not Applicable.

*** denotes amount of less than S\$0.05 million.

Notes:

⁽¹⁾ Based on the Group's direct equity interest in AIS.

⁽²⁾ Others include adjustments to align the respective local accounting standards to SFRS(I).

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. JOINT VENTURES (Cont'd)

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2020 S\$ Mil	2019 S\$ Mil
Share of profit after tax	9.8	9.3
Share of other comprehensive income	1.0	*
Share of total comprehensive income	10.8	9.3
Aggregate carrying value	101.6	84.8

*** denotes amount of less than S\$0.05 million

24. ASSOCIATES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Quoted equity shares, at cost	1,733.4	1,733.4	24.7	24.7
Unquoted equity shares, at cost	88.7	79.2	-	-
	1,822.1	1,812.6	24.7	24.7
Goodwill on consolidation adjusted against shareholders' equity	29.4	29.4	-	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	79.5	135.1	-	-
Translation differences	179.1	138.6	-	-
	288.0	303.1	-	-
Less: Allowance for impairment losses	(5.0)	(5.0)	-	-
Reclassification to 'Net deferred gain' (see Note 32)	(31.0)	(50.5)	-	-
	2,074.1	2,060.2	24.7	24.7

As at 31 March 2020,

- (i) The market values of the quoted equity shares in associates held by the Group and the Company were S\$2.68 billion (31 March 2019: S\$2.98 billion) and S\$318.6 million (31 March 2019: S\$494.0 million) respectively.
- (ii) The Group's proportionate interest in the capital commitments of the associates was S\$257.4 million (31 March 2019: S\$139.9 million).

Notes to the Financial Statements

For the financial year ended 31 March 2020

24. ASSOCIATES (Cont'd)

The details of associates are set out in **Note 46.4**.

The summarised financial information of the Group's significant associate namely Intouch Holdings Public Company Limited ("**Intouch**"), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

Group	2020 S\$ Mil	2019 S\$ Mil
<u>Statement of comprehensive income</u>		
Revenue	200.7	250.1
Profit after tax	468.4	451.7
Other comprehensive income/ (loss)	5.7	(0.9)
Total comprehensive income	474.1	450.8
<u>Statement of financial position</u>		
Current assets	712.0	743.1
Non-current assets	1,588.6	1,532.5
Current liabilities	(388.0)	(305.1)
Non-current liabilities	(198.8)	(205.5)
Net assets	1,713.8	1,765.0
Less: Non-controlling interests	(257.4)	(304.6)
Net assets attributable to equity holders	1,456.4	1,460.4
Proportion of the Group's ownership	21.0%	21.0%
Group's share of net assets	305.9	306.7
Goodwill and other identifiable intangible assets	1,465.6	1,441.7
Others ⁽¹⁾	(73.0)	(46.8)
Carrying amount of the investment	1,698.5	1,701.6
<u>Other items</u>		
Group's share of market value	1,461.3	1,653.2
Dividends received during the year	73.3	78.5

Note:

⁽¹⁾ Others include adjustments to align the respective local accounting standards to SFRS(I).

Notes to the Financial Statements

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24. ASSOCIATES (Cont'd)

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2020	2019
	S\$ Mil	S\$ Mil
Share of profit after tax	57.7	49.7
Share of other comprehensive (loss)/ income	(3.1)	0.4
Share of total comprehensive income	54.6	50.1

25. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2020 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 is fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment testing.

The recoverable values of CGUs including goodwill are assessed based on discounted cash flow models using cash flow projections from financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and the Global Cyber Security business which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table below. Key assumptions used in the discounted cash flow models are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

Notes to the Financial Statements

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25. IMPAIRMENT REVIEWS (Cont'd)

The details are shown in the table below:

Group	31 March	31 March	Terminal growth rate ⁽¹⁾		Pre-tax discount rate	
	2020	2019	31 March	31 March	31 March	31 March
	S\$ Mil	S\$ Mil	2020	2019	2020	2019
Carrying value of goodwill in -						
Optus Group	9,259.5	9,272.2	3.0%	3.0%	7.1%	8.4%
Global Cyber Security business ⁽²⁾	1,097.4	1,046.6	3.5%	4.0%	11.4%	12.0%
Amobee, Inc. ("Amobee")	990.8	1,137.3	3.0%	3.0%	13.7%	14.3%
SCS Computer Systems Pte. Ltd. ("SCS")	82.2	82.2	2.0%	2.0%	7.0%	7.8%

Notes:

⁽¹⁾ Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

⁽²⁾ Global Cyber Security business, which comprises the cyber security businesses across the Group including Trustwave, is considered a single CGU for the purpose of goodwill impairment testing.

As at 31 March 2020, no impairment charge was required for goodwill arising from acquisition of Optus Group, Global Cyber Security business and SCS.

For Amobee, an impairment loss of S\$195 million (2019: nil), which was fully allocated to goodwill, was recognised during the financial year. Amobee's recoverable value was impacted by shifts in the advertising industry spend towards programmatic platform, leading to sustained decline in its legacy businesses. Following the impairment loss recognised in the Amobee CGU, the recoverable amount was equal to the carrying amount.

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26. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") INVESTMENTS

	Group		Company	
	2020 S\$ Mil	2019 S\$ Mil	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	646.9	197.9	5.3	5.5
Additions	87.5	437.1	-	-
Disposals/ Write-offs	(34.5)	(9.6)	-	-
Net fair value (losses)/ gains included in 'Other Comprehensive Income'	(184.9)	13.2	(1.3)	(0.2)
Translation differences	*	8.3	-	-
Balance as at 31 March	515.0	646.9	4.0	5.3

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Cost	718.5	646.5	3.3	3.3
Fair value changes	(203.5)	0.4	0.7	2.0
	515.0	646.9	4.0	5.3

*** denotes less than S\$0.05 million.

FVOCI investments included the following –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Quoted equity securities				
- Africa	150.2	-	-	-
- Singapore	4.0	5.3	4.0	5.3
- United States of America	4.2	16.6	-	-
	158.4	21.9	4.0	5.3
Unquoted				
Equity securities	334.5	600.8	-	-
Others	22.1	24.2	-	-
	356.6	625.0	-	-
	515.0	646.9	4.0	5.3

Notes to the Financial Statements

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27. OTHER ASSETS

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Non-current				
Capitalised contract costs (net)	319.5	273.4	*	0.1
Prepayments	129.3	157.8	105.7	130.6
Tax recoverable from ATO ⁽¹⁾	117.2	128.5	-	-
Other receivables	74.4	84.7	-	-
	640.4	644.4	105.7	130.7

Note:

⁽¹⁾ In November 2016, the Group paid A\$134 million to the Australian Taxation Office ("ATO") for amended tax assessments received in respect of the acquisition financing of Optus. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 42(b)**).

The movements in capitalised contract costs (net) were as follows -

	Group		Company	
	2020 S\$ Mil	2019 S\$ Mil	2020 S\$ Mil	2019 S\$ Mil
Balance as at 1 April	273.4	235.0	0.1	1.2
Contract costs incurred	293.8	296.4	-	0.2
Amortisation to operating expenses	(85.4)	(132.9)	(0.1)	(1.3)
Amortisation to mobile service revenue	(150.2)	(121.4)	-	-
Translation differences	(12.1)	(3.7)	-	-
Balance as at 31 March	319.5	273.4	*	0.1

*** denotes less than S\$0.05 million.

Notes to the Financial Statements

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28. TRADE AND OTHER PAYABLES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Trade payables	4,407.1	4,455.2	705.7	657.2
Accruals	813.7	844.3	207.4	226.0
Interest payable on borrowings and swaps	118.6	132.1	29.4	40.3
Contract liabilities (handset sales)	69.2	111.7	-	-
Deferred income	31.6	54.5	4.0	26.6
Customers' deposits	24.5	33.6	17.2	19.3
Due to associates and joint ventures				
- trade	23.3	47.7	14.9	21.5
- non-trade	0.1	0.1	-	-
	23.4	47.8	14.9	21.5
Due to subsidiaries				
- trade	-	-	196.2	371.9
- non-trade	-	-	1,201.8	340.4
	-	-	1,398.0	712.3
Other payables	152.8	137.9	40.5	34.3
	5,640.9	5,817.1	2,417.1	1,737.5

The trade payables are non-interest bearing and are generally settled on 30 or 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings and swaps are mainly settled on a quarterly or semi-annual basis.

The amounts due to subsidiaries are unsecured, repayable on demand and interest-free.

29. BORROWINGS (UNSECURED)

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Current				
Bonds	2,033.4	678.5	-	-
Bank loans	1,554.8	1,167.7	-	-
	3,588.2	1,846.2	-	-
Non-current				
Bonds	7,323.1	7,267.5	942.5	786.5
Bank loans	1,060.9	1,466.9	-	-
	8,384.0	8,734.4	942.5	786.5
Total unsecured borrowings	11,972.2	10,580.6	942.5	786.5

Notes to the Financial Statements

For the financial year ended 31 March 2020

29. BORROWINGS (UNSECURED) (Cont'd)

29.1 Bonds

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Principal amount				
US\$2,850 million ⁽¹⁾ (31 March 2019: US\$2,100 million)	4,040.7	2,832.0	-	-
US\$500 million ⁽¹⁾	942.5	786.5	942.5	786.5
US\$500 million ⁽¹⁾⁽²⁾	-	678.5	-	-
€1,200 million ⁽¹⁾⁽²⁾ (31 March 2019: €700 million)	1,885.4	1,076.8	-	-
A\$1,150 million ⁽²⁾	1,004.0	1,100.1	-	-
S\$600 million ⁽¹⁾	600.0	599.8	-	-
S\$550 million	549.9	549.8	-	-
S\$150 million ⁽²⁾	150.0	149.9	-	-
HK\$1,000 million ⁽²⁾	184.0	172.6	-	-
	9,356.5	7,946.0	942.5	786.5
Classified as -				
Current	2,033.4	678.5	-	-
Non-current	7,323.1	7,267.5	942.5	786.5
	9,356.5	7,946.0	942.5	786.5

Notes:

⁽¹⁾ The bonds are listed on the Singapore Exchange Limited.

⁽²⁾ The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

29.2 Bank Loans

	Group	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Current	1,554.8	1,167.7
Non-current	1,060.9	1,466.9
	2,615.7	2,634.6

Notes to the Financial Statements

For the financial year ended 31 March 2020

29. BORROWINGS (UNSECURED) (Cont'd)

29.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Between 1 and 5 years	3,468.8	5,927.3	-	-
Over 5 years	4,915.2	2,807.1	942.5	786.5
	8,384.0	8,734.4	942.5	786.5

29.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	31 March 2020 %	31 March 2019 %	31 March 2020 %	31 March 2019 %
Bonds (fixed rate)	3.4	3.9	7.4	7.4
Bank loans (floating rate)	1.1	2.5	-	-

29.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S\$ Mil	Between 1 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2020			
Net-settled interest rate swaps	23.0	27.4	22.4
Cross currency interest rate swaps (gross-settled)			
- Inflow	(208.0)	(550.1)	(644.0)
- Outflow	138.6	475.8	504.4
	(46.4)	(46.9)	(117.2)
Borrowings	3,604.4	4,104.6	5,369.8
	3,558.0	4,057.7	5,252.6
As at 31 March 2019			
Net-settled interest rate swaps	36.3	16.7	9.0
Cross currency interest rate swaps (gross-settled)			
- Inflow	(339.4)	(878.0)	(881.4)
- Outflow	289.9	760.2	746.5
	(13.2)	(101.1)	(125.9)
Borrowings	2,033.8	6,458.5	3,524.0
	2,020.6	6,357.4	3,398.1

Notes to the Financial Statements

For the financial year ended 31 March 2020

29. BORROWINGS (UNSECURED) (Cont'd)

Company	Less than 1 year S\$ Mil	Between 1 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2020			
Net-settled interest rate swaps	3.8	8.7	8.5
Cross currency interest rate swaps (gross-settled)			
- Inflow	(52.6)	(210.3)	(367.9)
- Outflow	32.0	128.2	224.1
	(16.8)	(73.4)	(135.3)
Borrowings	52.6	210.3	1,249.2
	35.8	136.9	1,113.9
As at 31 March 2019			
Net-settled interest rate swaps	1.0	3.9	7.8
Cross currency interest rate swaps (gross-settled)			
- Inflow	(183.6)	(602.8)	(715.0)
- Outflow	168.8	544.1	597.8
	(13.8)	(54.8)	(109.4)
Borrowings	50.0	199.9	1,281.1
	36.2	145.1	1,171.7

30. BORROWINGS (SECURED)

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Current				
Lease liabilities	382.3	34.0	63.2	4.8
	382.3	34.0	63.2	4.8
Non-current				
Lease liabilities	1,818.1	49.5	581.2	7.7
	1,818.1	49.5	581.2	7.7
Total secured borrowings	2,200.4	83.5	644.4	12.5

As at 31 March 2019, secured borrowings were finance lease liabilities in respect of certain assets leased from NetLink Trust. With the adoption of SFRS(I) 16 Leases from 1 April 2019, the finance lease liabilities were reclassified to lease liabilities. As at 31 March 2020, secured borrowings were lease liabilities in respect of right-of-use assets.

Notes to the Financial Statements

For the financial year ended 31 March 2020

30. BORROWINGS (SECURED) (Cont'd)

30.1 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Between 1 and 5 years	956.4	49.5	236.6	7.7
Over 5 years	861.7	-	344.6	-
	1,818.1	49.5	581.2	7.7

30.2 The tables below set out the maturity profile of lease liabilities based on expected contractual undiscounted cash flows –

Group	Less than 1 year S\$ Mil	Between 1 and 5 years S\$ Mil	Over 5 years S\$ Mil
	As at 31 March 2020		
Lease liabilities	450.3	1,140.7	990.3
Company	Less than 1 year S\$ Mil	Between 1 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2020			
Lease liabilities	87.2	310.8	421.9

30.3 Finance Lease Liabilities

As at 31 March 2019, the minimum lease payments under the finance lease liabilities were payable as follows –

As at 31 March 2019	Group S\$ Mil	Company S\$ Mil
Within 1 year	38.2	5.5
Between 1 and 5 years	52.6	8.0
Over 5 years	-	-
	90.8	13.5
Less: Future finance charges	(7.3)	(1.0)
	83.5	12.5

The weighted average effective interest rates per annum for the Group and the Company as at 31 March 2019 were 7.1% and 7.3% respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2020

31. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Group - 2020	Bonds S\$ Mil	Bank loans S\$ Mil	Lease liabilities S\$ Mil	Interest payable S\$ Mil	Derivative financial instruments S\$ Mil
As at 1 April 2019	7,946.0	2,634.6	83.5	132.1	(280.0)
Financing cash flows ⁽¹⁾	1,113.4	16.7	(403.9)	(463.3)	173.9
Non-cash changes:					
Fair value adjustments	149.6	-	-	-	(214.8)
Amortisation of bond discount	(2.6)	-	-	-	-
Foreign exchange movements	150.1	(35.6)	(125.7)	*	(396.9)
Additions of lease liabilities	-	-	2,646.5	-	-
Interest expense	-	-	-	449.8	-
	297.1	(35.6)	2,520.8	449.8	(611.7)
As at 31 March 2020	9,356.5	2,615.7	2,200.4	118.6	(717.8)

*** denotes less than S\$0.05 million.

Group - 2019	Bonds S\$ Mil	Bank loans S\$ Mil	Finance lease liabilities S\$ Mil	Interest payable S\$ Mil	Derivative financial instruments S\$ Mil
As at 1 April 2018	7,884.9	2,501.7	104.6	137.9	(64.6)
Financing cash flows ⁽¹⁾	38.5	174.0	9.8	(385.1)	(6.2)
Non-cash changes:					
Fair value adjustments	35.0	-	-	-	(223.1)
Amortisation of bond discount	2.0	-	-	-	-
Foreign exchange movements	(7.2)	(41.1)	-	(8.2)	13.9
Additions of finance lease liabilities	-	-	25.5	-	-
Interest expense	-	-	-	387.5	-
Adjustment	(7.2)	-	(56.4)	-	-
	22.6	(41.1)	(30.9)	379.3	(209.2)
As at 31 March 2019	7,946.0	2,634.6	83.5	132.1	(280.0)

Note:

⁽¹⁾ The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings, net interest paid on borrowings, and settlement of swaps for bonds repaid in the statement of cash flows.

Notes to the Financial Statements

For the financial year ended 31 March 2020

32. NET DEFERRED GAIN

	Group	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Unamortised deferred gain	425.5	446.3
Reclassification from 'Associates' (see Note 24)	(31.0)	(50.5)
Net deferred gain	394.5	395.8
Classified as -		
Current	20.8	20.8
Non-current	373.7	375.0
	394.5	395.8

NetLink Trust ("NLT") is a business trust established as part of the Infocomm Media Development Authority of Singapore's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network.

In prior years, Singtel had sold certain infrastructure assets, namely ducts, manholes and exchange buildings ("Assets") to NLT. At the consolidated level, the gain on disposal of Assets recognised by Singtel is deferred in the Group's statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain is released to the Group's income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed.

Singtel sold its 100% interest in NLT to NetLink NBN Trust (the "Trust") in July 2017 for cash as well as a 24.8% interest in the Trust. With the divestment, Singtel ceased to own units in NLT but holds an interest of 24.8% in the Trust which owns all the units in NLT.

33. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Performance share liability	6.8	5.4	6.8	5.4
Other payables	141.5	284.4	11.9	21.1
	148.3	289.8	18.7	26.5

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

Notes to the Financial Statements

For the financial year ended 31 March 2020

34. SHARE CAPITAL

Group and Company	Number of shares Mil	Share capital S\$ Mil
Balance as at 31 March 2020 and 31 March 2019	16,329.1	4,127.3

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 delivering sustainable dividends, while maintaining an optimal capital structure and investment grade credit ratings. The Group monitors capital based on gross and net gearing ratios. 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.

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.

35. DIVIDENDS

	Group		Company	
	2020 S\$ Mil	2019 S\$ Mil	2020 S\$ Mil	2019 S\$ Mil
Final dividend of 10.7 cents (2019: 10.7 cents) per share, paid	1,746.7	1,746.7	1,747.2	1,747.2
Interim dividend of 6.8 cents (2019: 6.8 cents) per share, paid	1,110.0	1,109.9	1,110.4	1,110.4
	2,856.7	2,856.6	2,857.6	2,857.6

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S\$1.75 billion was paid in respect of the previous financial year ended 31 March 2019. In addition, an interim one-tier tax exempt ordinary dividend of 6.8 cents per share totalling S\$1.11 billion was paid in respect of the current financial year ended 31 March 2020.

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 5.45 cents per share, totalling approximately S\$890 million in respect of the current financial year ended 31 March 2020 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S\$890 million, which will be accounted for in the 'Shareholders' Equity' as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2021.

Notes to the Financial Statements

For the financial year ended 31 March 2020

36. 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 determining 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**).

36.1 Financial assets and liabilities measured at fair value

Group 31 March 2020	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments (Note 26)				
- Quoted equity securities	158.4	-	-	158.4
- Unquoted investments	-	-	356.6	356.6
	158.4	-	356.6	515.0
Derivative financial instruments (Note 18)	-	854.7	-	854.7
	158.4	854.7	356.6	1,369.7
Financial liabilities				
Derivative financial instruments (Note 18)	-	136.9	-	136.9
	-	136.9	-	136.9
Group 31 March 2019	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments (Note 26)				
- Quoted equity securities	21.9	-	-	21.9
- Unquoted investments	-	-	625.0	625.0
	21.9	-	625.0	646.9
Derivative financial instruments (Note 18)	-	438.7	-	438.7
	21.9	438.7	625.0	1,085.6
Financial liabilities				
Derivative financial instruments (Note 18)	-	158.7	-	158.7
	-	158.7	-	158.7

Notes to the Financial Statements

For the financial year ended 31 March 2020

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Cont'd)

36.1 Financial assets and liabilities measured at fair value (Cont'd)

Company 31 March 2020	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments (Note 26)				
- Quoted equity securities	4.0	-	-	4.0
Derivative financial instruments (Note 18)	-	139.5	-	139.5
	4.0	139.5	-	143.5
Financial liabilities				
Derivative financial instruments (Note 18)	-	45.1	-	45.1
	-	45.1	-	45.1
Company 31 March 2019				
	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments (Note 26)				
- Quoted equity securities	5.3	-	-	5.3
Derivative financial instruments (Note 18)	-	126.6	-	126.6
	5.3	126.6	-	131.9
Financial liabilities				
Derivative financial instruments (Note 18)	-	192.3	-	192.3
	-	192.3	-	192.3

See Note 2.17 for the policies on fair value estimation of the financial assets and liabilities.

Notes to the Financial Statements

For the financial year ended 31 March 2020

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Cont'd)

36.1 Financial assets and liabilities measured at fair value (Cont'd)

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

	Group	
	2020 S\$ Mil	2019 S\$ Mil
FVOCI investments - unquoted		
Balance as at 1 April	625.0	187.9
Total gains included in 'Fair Value Reserve'	56.2	4.1
Additions	33.1	437.1
Disposals	(18.7)	(2.3)
Transfer out from Level 3 ⁽¹⁾	(339.1)	(10.1)
Translation differences	0.1	8.3
Balance as at 31 March	356.6	625.0

Note:

⁽¹⁾ Included the transfer of the Group's direct equity investment of 5.5% in Airtel Africa Plc, which was listed on the London Stock Exchange and Nigeria Stock Exchange during the year, to Level 1 of the fair value hierarchy.

36.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			Total
	S\$ Mil	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
As at 31 March 2020					
Financial liabilities					
Group					
Bonds (Note 29.1)	9,356.5	7,848.9	1,951.0	-	9,799.9
Company					
Bonds (Note 29.1)	942.5	1,071.7	-	-	1,071.7
As at 31 March 2019					
Financial liabilities					
Group					
Bonds (Note 29.1)	7,946.0	6,235.4	2,013.0	-	8,248.4
Company					
Bonds (Note 29.1)	786.5	936.4	-	-	936.4

Notes to the Financial Statements

For the financial year ended 31 March 2020

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES *(Cont'd)*

36.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed) *(Cont'd)*

See **Note 2.17** on the basis of estimating the fair values and **Note 18** 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 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 2020, 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.

37.2 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 the United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are intended to be 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 in **Note 6** and the foreign exchange difference on non-trade balances is disclosed in **Note 10**.

Notes to the Financial Statements

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

37.2 Foreign Exchange Risk *(Cont'd)*

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other source of ineffectiveness emerged from these hedging relationships.

All hedge relationships remain effective and there is no hedge relationship in which hedge accounting is no longer applied.

37.3 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 2020, after taking into account the effect of interest rate swaps, approximately 72% (31 March 2019: 66%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2020, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S\$15.8 million (2019: S\$15.4 million).

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other source of ineffectiveness emerged from these hedging relationships.

Interest rate swap contracts paying fixed rate interest amounts are designated and effective as cash flow hedges in reducing the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the borrowings occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on borrowings affect the income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

37.3 Interest Rate Risk *(Cont'd)*

Interest rate swap contracts paying floating rate interest amounts are designated and effective as fair value hedges of interest rate movements. During the year, the hedge was fully effective in hedging the fair value exposure to interest rate movements. The carrying amount of the bond increased by S\$124.7 million (31 March 2019: decreased by S\$23.5 million) which was included in the income statement at the same time that the fair value of the interest rate swap was included in the income statement.

As at 31 March 2020, S\$2.83 billion (31 March 2019: S\$2.54 billion) of borrowings were designated in fair value hedge relationships. All hedge relationships remained effective and there was no hedge relationship in which hedge accounting could no longer be applied.

37.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, contract assets, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit 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's exposure to credit risk and the measurement bases used to determine expected credit losses is disclosed in **Note 16**.

The Group places its cash and cash equivalents with a number of major commercial banks and other financial institutions with high credit ratings. Derivative counterparties 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.

37.5 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 to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining funding flexibility with adequate committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

In April 2020, the Group obtained total credit facilities of S\$4.17 billion for general corporate purposes and refinancing of existing facilities.

The maturity profile of the Group's borrowings and related swaps based on expected contractual undiscounted cash flows is disclosed in **Note 29.5**.

37.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

Notes to the Financial Statements

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38. SEGMENT INFORMATION

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

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, which focus on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales. It also includes the Group's regional investments in AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia, as well as two key digital businesses – mobile financial business, and gaming and digital content business.

Group Enterprise comprises the business groups across Singapore, Australia, the United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

Group Digital Life ("GDL") focuses on using the latest Internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage. It has two key businesses – digital marketing (Amobee) as well as advanced analytics and intelligence capabilities (DataSpark). It also serves as Singtel's digital innovation engine through Innov8.

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

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

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

Notes to the Financial Statements

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38. SEGMENT INFORMATION (Cont'd)

The Group's reportable segments by the three business segments for the financial years ended 31 March 2020 and 31 March 2019 were as follows –

Group - 2020	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,371.0	6,025.9	1,145.4	-	16,542.3
Operating expenses	(6,404.1)	(4,488.5)	(1,195.8)	(91.3)	(12,179.7)
Other income	123.5	49.2	2.2	3.9	178.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,090.4	1,586.6	(48.2)	(87.4)	4,541.4
Share of pre-tax results of associates and joint ventures					
- Airtel	(403.2)	-	-	-	(403.2)
- Telkomsel	1,168.9	-	-	-	1,168.9
- Globe	410.2	-	-	-	410.2
- AIS	365.0	-	-	-	365.0
- Intouch	101.0	-	-	-	101.0
- Others	1.3	-	-	99.4	100.7
	1,643.2	-	-	99.4	1,742.6
EBITDA and share of pre-tax results of associates and joint ventures	4,733.6	1,586.6	(48.2)	12.0	6,284.0
Depreciation and amortisation	(1,755.3)	(728.7)	(91.6)	(4.7)	(2,580.3)
Earnings before interest and tax ("EBIT")	2,978.3	857.9	(139.8)	7.3	3,703.7
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,127.6	-	-	-	6,127.6
- Telkomsel	3,107.1	-	-	-	3,107.1
- Globe	1,350.9	-	-	-	1,350.9
- AIS	950.5	-	-	-	950.5
- Intouch	1,698.5	-	-	-	1,698.5
- Others	30.1	-	-	447.1	477.2
	13,264.7	-	-	447.1	13,711.8
Goodwill on acquisition of subsidiaries	9,184.5	1,254.6	990.8	-	11,429.9
Other assets	13,588.4	6,302.1	1,113.8	2,808.9	23,813.2
	36,037.6	7,556.7	2,104.6	3,256.0	48,954.9

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38. SEGMENT INFORMATION (Cont'd)

Group - 2019	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,818.6	6,329.3	1,223.8	-	17,371.7
Operating expenses	(6,803.9)	(4,701.7)	(1,315.2)	(83.7)	(12,904.5)
Other income/ (expense)	151.6	67.6	(0.3)	5.8	224.7
EBITDA	3,166.3	1,695.2	(91.7)	(77.9)	4,691.9
Share of pre-tax results of associates and joint ventures					
- Airtel	(511.2)	-	-	-	(511.2)
- Telkomsel	1,128.3	-	-	-	1,128.3
- Globe	367.8	-	-	-	367.8
- AIS	343.2	-	-	-	343.2
- Intouch	96.1	-	-	-	96.1
- Others	1.0	-	-	110.7	111.7
	1,425.2	-	-	110.7	1,535.9
EBITDA and share of pre-tax results of associates and joint ventures	4,591.5	1,695.2	(91.7)	32.8	6,227.8
Depreciation and amortisation	(1,544.5)	(614.8)	(60.3)	(2.6)	(2,222.2)
EBIT	3,047.0	1,080.4	(152.0)	30.2	4,005.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,420.4	-	-	-	7,420.4
- Telkomsel	3,313.0	-	-	-	3,313.0
- Globe	1,175.7	-	-	-	1,175.7
- AIS	864.0	-	-	-	864.0
- Intouch	1,701.6	-	-	-	1,701.6
- Others	24.3	-	-	419.1	443.4
	14,499.0	-	-	419.1	14,918.1
Goodwill on acquisition of subsidiaries	9,190.0	1,211.0	1,137.3	-	11,538.3
Other assets	13,512.4	5,705.6	949.0	2,291.4	22,458.4
	37,201.4	6,916.6	2,086.3	2,710.5	48,914.8

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38. SEGMENT INFORMATION (Cont'd)

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

	Group	
	2020 S\$ Mil	2019 S\$ Mil
EBIT	3,703.7	4,005.6
Share of exceptional items of associates and joint ventures (post-tax)	(1,806.2)	301.1
Share of tax expense of associates and joint ventures	(466.0)	(274.3)
Exceptional items	415.7	68.2
Profit before interest, investment income (net) and tax	1,847.2	4,100.6
Interest and investment income (net)	180.0	38.1
Finance costs	(461.8)	(392.8)
Profit before tax	1,565.4	3,745.9

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 39% (2019: 38%) and 51% (2019: 52%) of the total revenue for the financial year ended 31 March 2020, with the remaining 10% (2019: 10%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

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 2020 and 31 March 2019.

39. OPERATING LEASE COMMITMENTS (AS A LESSOR)

The following table sets out the maturity analysis of the undiscounted lease payments to be received after the reporting date –

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Less than 1 year	83.4	62.0	80.5	61.7
Between 1 and 2 years	76.8	86.1	75.0	78.8
Between 2 and 3 years	67.9	76.5	66.8	74.5
Between 3 and 4 years	62.4	67.3	62.4	66.4
Between 4 and 5 years	60.4	62.3	60.4	62.2
Over 5 years	268.2	328.4	268.2	328.4
	619.1	682.6	613.3	672.0

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For the financial year ended 31 March 2020

40. LEASE COMMITMENTS (AS A LESSEE)

- (a) The lease commitments for short term leases (excluding contracts of one month or less) was S\$22.2 million as at 31 March 2020.
- (b) The lease commitments yet to be commenced as at 31 March 2020 was S\$385 million.

41. COMMITMENTS

- 41.1 The commitments for capital expenditure and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 41.2** were as follows -

	Group		Company	
	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil	31 March 2020 S\$ Mil	31 March 2019 S\$ Mil
Authorised and contracted for	864.2	987.5	247.2	250.3

- 41.2 As at 31 March 2020, the Group's commitments for the purchase of broadcasting programme rights were S\$559 million (31 March 2019: S\$926 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and did 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.

42. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) Guarantees

As at 31 March 2020,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$622.7 million and S\$202.7 million (31 March 2019: S\$592.4 million and S\$109.1 million) respectively.
- (ii) The Company provided guarantees for loans of S\$1.69 billion (31 March 2019: S\$1.24 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly-owned subsidiary, with maturities between May 2020 and December 2022.
- (iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$5.03 billion (31 March 2019: S\$3.95 billion) due between April 2020 and August 2029.

- (b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A\$268 million, interest of A\$58 million and penalties of A\$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A\$89 million. STAI's objections to the amended assessments were disallowed by the ATO on 27 September 2019. Based on legal advice, STAI has appealed the ATO's objection decisions in the Federal Court of Australia on 11 November 2019. In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2020.

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42. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES (Cont'd)

The Group has received advice from external experts in relation to this matter and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2020.

In December 2018, Singtel Group received additional assessments amounting to S\$120 million from Inland Revenue Authority of Singapore ("IRAS") for reduction in group relief claims in Year of Assessment 2014. In May 2020, Singtel finalised the tax position with IRAS.

- (c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

43. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATES AND JOINT VENTURES

- (a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, Department of Telecommunications ("DOT") issued a demand on Airtel Group for Rs. 52.01 billion (S\$982 million) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (S\$1.59 billion), excluding related interest. In the opinion of Airtel, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel had filed a petition with the Hon'ble High Court of Bombay, which has directed DOT not to take any coercive action until the next date of hearing. The matter is currently pending with the Hon'ble High Court of Bombay.

On 4 July 2019, the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT") in a similar matter of another unrelated telecom service provider, passed an order providing partial relief and confirming the basis for the balance of the one time spectrum charge. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India which was dismissed on 16 March 2020. With the ruling, Airtel Group assessed and provided Rs. 56.42 billion (S\$1.07 billion) as an exceptional charge in its financial statements as at 31 March 2020, comprising Rs. 18.08 billion (S\$0.34 billion) of principal demand and Rs. 38.35 billion (S\$0.73 billion) of related interest. Notwithstanding this, Airtel Group intends to continue to pursue its legal remedies.

Other taxes, custom duties and demands under adjudication, appeal or disputes and related interest for some disputes as at 31 March 2020 amounted to approximately Rs. 143.2 billion (S\$2.70 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

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

CAT Telecom Public Company Limited ("CAT") has demanded that AIS' subsidiary, Digital Phone Company Limited ("DPC") pay additional revenue share of THB 3.4 billion (S\$148 million) arising from the abolishment of excise tax, as well as to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S\$583 million) or to pay the same amount plus interest.

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43. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATES AND JOINT VENTURES (Cont'd)

TOT Public Company Limited ("**TOT**") has demanded that AIS pay the following:

- (a) additional charges for porting of subscribers from 900MHz to 2100MHz network of THB 41.1 billion (S\$1.78 billion) plus interest.
- (b) additional revenue share of THB 36.2 billion (S\$1.57 billion) plus interest based on gross interconnection income from 2007 to 2015.
- (c) additional revenue share of THB 62.8 billion (S\$2.72 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. In January 2020, AIS received the award from the Arbitral Tribunal to pay THB 31.1 billion (S\$1.35 billion) and 1.25% interest per month after 30 November 2015. In April 2020, AIS filed a motion to the Central Administrative Court to set aside this award.

As at 31 March 2020, other claims against AIS and its subsidiaries which are pending adjudication amounted to THB 16.1 billion (S\$698 million).

The above claims have not included potential interest and penalty.

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

- (c) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited ("**Thaicom**") received letters from the Ministry of Digital Economy and Society (the "**Ministry**") stating that Thaicom 7 and Thaicom 8 satellites (the "**Satellites**") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.
- (d) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition filed by Globe, PLDT Inc. ("**PLDT**") and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA's rulings.

- (e) As at 31 March 2020, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 492 billion (S\$43 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

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44. SUBSEQUENT EVENTS

- (a) On 29 April 2020, the Infocomm Media Development Authority announced that Singtel Mobile Singapore Pte. Ltd. (“**Singtel Mobile**”), a wholly-owned subsidiary of the Company, has been given a provisional award for 5G network pending completion of regulatory processes. Singtel Mobile will be assigned 100MHz of 3.5GHz spectrum and 800MHz of mmWave spectrum to deploy 5G networks.
- (b) On 26 May 2020, Bharti Telecom Limited completed the sale of 2.75% stake in Airtel for a consideration of approximately S\$1.6 billion. Following the close of this transaction, Singtel’s effective shareholding in Airtel has reduced from 33.3% to 31.9%.

45. EFFECTS OF SFRS(I) AND INT SFRS(I) ISSUED BUT NOT YET ADOPTED

Certain new or revised SFRS(I) and INT SFRS(I) are mandatory for adoption by the Group for the financial year beginning on or after 1 April 2020. The new or revised SFRS(I) and INT SFRS(I) are not expected to have a significant impact on the financial statements of the Group and the Company in the period of initial application.

46. 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 2020 and 31 March 2019.

46.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2020 %	2019 %
1.	Amobee Asia Pte. Ltd.	Provision of internet advertising solutions	100	100
2.	Consumer Journeys Pte. Ltd.	Provision of lifestyle services to end users	100	-
3.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	100	100
4.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	100	100
5.	HOOQ Digital Pte. Ltd. ⁽¹⁾	Provision of regional premium over-the-top video services	-	65
6.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	100	100
7.	NCS Pte. Ltd.	Provision of information technology and consultancy services	100	100
8.	NCSI Solutions Pte. Ltd.	Provision of information technology services	100	100
9.	SCS Computer Systems Pte. Ltd.	Provision of information technology services	100	100

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46. COMPANIES IN THE GROUP (Cont'd)

46.1 Significant subsidiaries incorporated in Singapore (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2020 %	2019 %
10.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	100	100
11.	SingCash Pte Ltd	Provision of money remittance services	100	100
12.	SingNet Pte Ltd	Provision of internet access and pay television services	100	100
13.	Singtel Cyber Security (Singapore) Pte. Ltd.	Provision of information security services and products	100	100
14.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	100	100
15.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	100	100
16.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	61.9	61.9
17.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	60	60
18.	Singtel Digital Media Pte Ltd	Development and management of online internet portal to provide digital content services and digital marketing solutions	100	100
19.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	100	100
20.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	100	100
21.	Trustwave Pte. Ltd.	Provision of information security services and products	100	100

All companies are audited by KPMG LLP.

Note:

⁽¹⁾ HOOQ Digital Pte. Ltd. ("HOOQ"), a 76.5%-owned subsidiary, was placed under creditors' voluntary liquidation and hence was deconsolidated from March 2020.

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46. COMPANIES IN THE GROUP (Cont'd)

46.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2020 %	2019 %
1.	Amobee ANZ Pty Ltd	Provision of internet advertising solutions	100	100
2.	Alphawest Services Pty Ltd ⁽¹⁾	Provision of information technology services	100	100
3.	En Syst Pty Limited	Provision of cloud services	100	100
4.	Hivint Pty Limited	Provision of information security services and products	100	100
5.	NCSI (Australia) Pty Limited	Provision of information technology services	100	100
6.	Optus Administration Pty Limited ⁽¹⁾	Provision of management services to the Optus Group	100	100
7.	Optus ADSL Pty Limited ⁽¹⁾	Provision of carriage services	100	100
8.	Optus Billing Services Pty Limited ^{(*)⁽¹⁾}	Provision of billing services to the Optus Group	100	100
9.	Optus C1 Satellite Pty Limited ⁽¹⁾	C1 Satellite contracting party	100	100
10.	Optus Content Pty Limited ⁽¹⁾	Provision of digital content acquisition	100	100
11.	Optus Data Centres Pty Limited ⁽¹⁾	Provision of data communication services	100	100
12.	Optus Fixed Infrastructure Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
13.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	100	100
14.	Optus Internet Pty Limited ⁽¹⁾	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	100	100
15.	Optus Mobile Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100

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46. COMPANIES IN THE GROUP (Cont'd)

46.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2020 %	2019 %
16.	Optus Networks Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
17.	Optus Satellite Pty Limited ⁽¹⁾	Provision of satellite services	100	100
18.	Optus Systems Pty Limited ⁽¹⁾	Provision of information technology services to the Optus Group	100	100
19.	Optus Vision Media Pty Limited ^{(*) (2)}	Provision of broadcasting related services	20	20
20.	Optus Vision Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
21.	Optus Wholesale Pty Limited ⁽¹⁾	Provision of services to wholesale customers	100	100
22.	Prepaid Services Pty Limited ⁽¹⁾	Distribution of prepaid mobile products	100	100
23.	Reef Networks Pty Ltd ⁽¹⁾	Operation and maintenance of fibre optic network between Brisbane and Cairns	100	100
24.	TWH Australia Pty. Ltd.	Provision of information security services and products	100	100
25.	Uecomm Operations Pty Limited ⁽¹⁾	Provision of data communication services	100	100
26.	Virgin Mobile (Australia) Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
27.	Vividwireless Group Limited ⁽¹⁾	Provision of wireless broadband services	100	100

All companies are audited by KPMG, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

⁽¹⁾ These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

⁽²⁾ Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

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46. COMPANIES IN THE GROUP (Cont'd)

46.3 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	
				2020 %	2019 %
1.	Amobee EMEA Limited	Provision of internet advertising solutions	United Kingdom	100	100
2.	Amobee, Inc.	Provision of internet advertising solutions	USA	100	100
3.	Amobee Ltd	Research and development centre	Israel	100	100
4.	Breach Security, Ltd.	Provision of information security services and products	Israel	100	100
5.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	100	100
6.	HOOQ Digital (India) Private Limited ⁽²⁾	Provision of over-the-top video services and related activities and services	India	-	65
7.	HOOQ Digital Mauritius Private Limited ⁽²⁾	Content operations and procurement	Mauritius	-	65
8.	HOOQ Digital (Philippines) Inc. ⁽²⁾	Provision of market research, sales and marketing support services	Philippines	-	65
9.	HOOQ Digital (Thailand) Company Limited ⁽²⁾	Provision of market research, sales and marketing support services	Thailand	-	65
10.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	82.9	82.9
11.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	100	100
12.	M86 Security Israel, Ltd.	Provision of information security services and products	Israel	100	100
13.	NCS Information Technology (Suzhou) Co., Ltd. ⁽³⁾	Software development and provision of information technology services	People's Republic of China	100	100
14.	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

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46. COMPANIES IN THE GROUP (Cont'd)

46.3 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	
				2020 %	2019 %
15.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	100	100
16.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	100	100
17.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	100	100
18.	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
19.	NCSI Technologies (India) Pvt. Ltd.	Provision of information technology services	India	100	100
20.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	100	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	100	100
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	100	100
23.	Singtel Innov8 Ventures LLC	Provision of investment consulting services	USA	100	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	100	100
25.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	100	100
26.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	100	100
27.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	100	100

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46. COMPANIES IN THE GROUP (Cont'd)

46.3 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	
				2020 %	2019 %
28.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	100	100
29.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	100	100
30.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	100	100
31.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	100	100
32.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	100	100
33.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	100	100
34.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	100	100
35.	Trustwave Limited	Provision of information security services and products	United Kingdom	100	100
36.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	100	100

All companies are audited by a member firm of KPMG.

Notes:

(1) The place of business of the subsidiaries are the same as their country of incorporation.

(2) The holding company, HOOQ, was placed under creditors' voluntary liquidation. Accordingly, HOOQ and these subsidiaries were deconsolidated from March 2020.

(3) Subsidiary's financial year-end is 31 December.

Notes to the Financial Statements

For the financial year ended 31 March 2020

46. COMPANIES IN THE GROUP (Cont'd)

46.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2020 %	2019 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	28.3	28.3
2.	APT Satellite Holdings Limited ⁽²⁾	Investment holding	Bermuda	20.3	20.3
3.	APT Satellite International Company Limited ⁽²⁾	Investment holding	British Virgin Islands	28.6	28.6
4.	Digital Games International Pte. Ltd. ⁽³⁾	To operate a regional game store and online community portal	Singapore	33.3	-
5.	HOPE Technik Pte Ltd	Provision of high performance unique engineering solutions	Singapore	21.3	21.3
6.	Intouch Holdings Public Company Limited ⁽⁴⁾	Investment holding	Thailand	21.0	21.0
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics based on unified platform	Singapore	39.2	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	48.9	48.9
9.	NetLink Trust ⁽⁵⁾	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	24.8	24.8
10.	NetLink NBN Trust ⁽⁵⁾	Investment holding	Singapore	24.8	24.8
11.	Sentilla Corporation	Provision of energy management services for data centres	USA	31.0	31.0

BUSINESS REVIEWS

GOVERNANCE AND SUSTAINABILITY

PERFORMANCE

FINANCIALS

ADDITIONAL INFORMATION

Notes to the Financial Statements

For the financial year ended 31 March 2020

46. COMPANIES IN THE GROUP (Cont'd)

46.4 Associates of the Group (Cont'd)

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2020 %	2019 %
12.	Singapore Post Limited ⁽⁵⁾	Operation and provision of post and parcel, eCommerce logistics and property	Singapore	21.7	21.7
13.	SESTO Robotics Pte Ltd	Provision of autonomous mobile robots	Singapore	25.1	28.5
14.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	49.2	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.

(2) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2019, the financial year-end of the company.

(3) This represents the Group's direct interest in Digital Games International Pte. Ltd.

(4) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

(5) Audited by Deloitte & Touche LLP, Singapore.

46.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2020 %	2019 %
1.	Acasia Communications Sdn Bhd ⁽³⁾	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	14.3	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cables	Singapore	16.7	16.7
3.	Advanced Info Service Public Company Limited ⁽⁴⁾⁽⁵⁾	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	23.3	23.3
4.	ASEAN Cables Pte Ltd	Operation of cables for laying, repair and maintenance of submarine telecommunication cables	Singapore	16.7	16.7
5.	ASEAN Telecom Holdings Sdn Bhd ⁽³⁾	Investment holding	Malaysia	14.3	14.3

Notes to the Financial Statements

For the financial year ended 31 March 2020

46. COMPANIES IN THE GROUP (Cont'd)

46.5 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	
				2020 %	2019 %
6.	Asiacom Philippines, Inc. ⁽³⁾	Investment holding	Philippines	40.0	40.0
7.	Bharti Airtel Limited ⁽⁶⁾	Provision of mobile, long distance broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	33.3	39.5
8.	Bharti Telecom Limited ⁽⁶⁾	Investment holding	India	49.4	48.9
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	33.9	34.5
10.	Globe Telecom, Inc. ⁽⁷⁾⁽⁸⁾	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	21.5	21.5
11.	Grid Communications Pte. Ltd. ⁽³⁾	Provision of public trunk radio services	Singapore	50.0	50.0
12.	Indian Ocean Cables Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cables	Singapore	50.0	50.0
13.	International Cables Pte Ltd	Ownership and chartering of cables	Singapore	45.0	45.0
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	33.3	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	45.0	45.0
16.	Pacific Carriage Holdings Limited ⁽⁹⁾	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	29.99	39.99
17.	PT Telekomunikasi Selular ⁽¹⁰⁾	Provision of mobile telecommunications and related services	Indonesia	35.0	35.0

Notes to the Financial Statements

For the financial year ended 31 March 2020

46. COMPANIES IN THE GROUP (Cont'd)

46.5 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	
				2020 %	2019 %
18.	Radiance Communications Pte Ltd ⁽³⁾	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	50.0	50.0
19.	Southern Cross Cables Holdings Limited ⁽⁹⁾⁽¹¹⁾	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	27.87	39.99
20.	VA Dynamics Sdn. Bhd. ⁽³⁾	Distribution of networking cables and related products	Malaysia	49.0	49.0

Notes:

⁽¹⁾ The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

⁽²⁾ The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

⁽³⁾ The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2019, the financial year-end of the company.

⁽⁴⁾ Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

⁽⁵⁾ This represents the Group's direct interest in AIS.

⁽⁶⁾ Audited by Deloitte Haskins & Sells LLP, New Delhi. Bharti Airtel Limited has business operations in India, Sri Lanka, and 14 countries across Africa.

⁽⁷⁾ Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited) up till 31 December 2019 and Isla Lipana & Co./PwC Philippines with effect from 1 January 2020.

⁽⁸⁾ The Group has a 47.0% 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 2020 (excluding transactions less than S\$100,000) were as follows -

Name of interested person	Nature of Relationship	S\$ mil
Certis CISCO Auxiliary Police Force Pte Ltd	Each interested person is an associate of Singapore Telecommunications Limited's controlling shareholder, Temasek Holdings (Private) Limited	8.8
Certis CISCO Protection Services Pte Ltd		0.4
Ensign InfoSecurity (Systems) Pte Ltd		4.4
Fullerton Fund Management Company Ltd		0.5
Grid Communications Pte. Ltd.		1.8
Mediacorp Pte Ltd		0.7
Nexwave Technologies Pte Ltd		0.4
PSA Corporation Ltd		2.3
Radiance Communications Pte Ltd		4.1
SATS Ltd		0.1
Singapore Power Limited		1.2
Singex Venues Pte Ltd		0.2
SingEx Exhibitions Pte Ltd		0.1
ST Electronics (Info-Security) Pte Ltd		0.8
ST Engineering Electronics Ltd.		1.4
ST Engineering iDirect, Inc.		0.1
StarHub Cable Vision Ltd		31.5
StarHub Ltd		9.4
StarHub Mobile Pte Ltd		6.0
Synergy FMI Pte Ltd		0.2
		74.4

Additional Information on Directors Seeking Re-election

Name of Director	Chua Sock Koong
Date of appointment	12 October 2006 (as Director) 1 April 2007 (as Group Chief Executive Officer)
Date of last re-appointment (if applicable)	28 July 2017
Age	62
Country of principal residence	Singapore
The Board's comments on this re-election/ appointment	After reviewing the recommendation of the Corporate Governance and Nominations Committee and Ms Chua's qualifications and experience (as set out below), the Board has approved that Ms Chua stands for re-election as an executive and non-independent Director. Ms Chua will, upon re-election, continue to serve as a member of the Optus Advisory Committee.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive and non-independent Director Member of the Optus Advisory Committee
Professional qualifications	Bachelor of Accountancy (First Class Honours) from the University of Singapore Fellow Member of the Institute of Singapore Chartered Accountants CFA charterholder
Working experience and occupation(s) during the past 10 years	Singapore Telecommunications Limited 2007 to present Group Chief Executive Officer Ms Chua currently also serves as a Director/Member/Trustee of various entities including those which are owned by Singapore Telecommunications Limited. Please refer to her present directorships/principal commitments provided below for further information.
Shareholding interest in the listed issuer and its subsidiaries	Yes 9,009,471 ordinary shares in Singapore Telecommunications Limited (Direct interest) 1,922,632 ordinary shares in Singapore Telecommunications Limited (Deemed interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

Additional Information on Directors Seeking Re-election

Name of Director	Chua Sock Koong
Conflict of interests (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.	
Past (for the last 5 years)	Other principal commitments: <ul style="list-style-type: none"> • Optus Digital Life Australia Investments Pty Limited, Director • Optus ICT Investments Pty Limited, Director • Singapore Management University Board of Trustees, Member • Singapore Telecom Australia Investments Pty Ltd, Director • Singtel Australia Investment Ltd, Director • Singtel Optus Pty Limited, Director • Singtel Singapore Pte Ltd, Director
Present	Other listed company: <ul style="list-style-type: none"> • Bharti Airtel Limited, Director Other principal commitments: <ul style="list-style-type: none"> • Bharti Telecom Limited, Director • Cap Vista Pte Ltd, Director • Council of Presidential Advisers, Member • Defence Science and Technology Agency, Director • GSMA, Deputy Chairman • Indonesia-Singapore Business Council, Member • Public Service Commission, Member and Deputy Chairman • Research, Innovation and Enterprise Council, Member • Singapore Telecom International Pte Ltd, Director • Singapore Telecom Mobile Pte Ltd, Director • Singtel Group Treasury Pte. Ltd., Director • Singtel Innov8 Holdings Pte. Ltd., Director • Singtel Innov8 Pte. Ltd., Director

Additional Information on Directors Seeking Re-election

Name of Director	Low Check Kian
Date of appointment	9 May 2011 (as Director) 21 July 2015 (as Lead Independent Director)
Date of last re-appointment (if applicable)	28 July 2017
Age	61
Country of principal residence	Singapore
The Board's comments on this re-election/ appointment	<p>After reviewing the recommendation of the Corporate Governance and Nominations Committee and Mr Low's qualifications and experience (as set out below), the Board has confirmed Mr Low's independence and approved that Mr Low stands for re-election as a non-executive and independent Director.</p> <p>Mr Low will, upon re-election, continue to serve as Lead Independent Director, Chairman of the Corporate Governance and Nominations Committee, and a member of the Executive Resource and Compensation Committee and the Finance and Investment Committee.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<p>Non-executive and Lead Independent Director</p> <p>Chairman of the Corporate Governance and Nominations Committee</p> <p>Member of the Executive Resource and Compensation Committee</p> <p>Member of the Finance and Investment Committee</p>
Professional qualifications	B. Sc (First Class Honours) and M. Sc in Economics from the London School of Economics
Working experience and occupation(s) during the past 10 years	<p>Cluny Park Capital Pte. Ltd. 2011 to present Director</p> <p>Cluny Properties Pte. Ltd. 2010 to present Director</p> <p>Cluny Capital Limited (BVI) 2007 to present Director</p> <p>Singapore Exchange Limited 2010 to 2011 Director</p> <p>NewSmith Capital Partners (Asia) Pte Ltd 2003 to 2012 Chairman</p>

Additional Information on Directors Seeking Re-election

Name of Director	Low Check Kian
Shareholding interest in the listed issuer and its subsidiaries	Yes 1,490 ordinary shares in Singapore Telecommunications Limited (Direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interests (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.	
Past (for the last 5 years)	Other listed company: <ul style="list-style-type: none"> • Neptune Orient Lines Limited, Non-executive and Independent Director Other principal commitments: <ul style="list-style-type: none"> • Fullerton Fund Management Company Ltd, Non-executive Director • Renewfibre Asia Private Limited, Director
Present	Other listed company: <ul style="list-style-type: none"> • Broadcom Limited, Director Other principal commitments: <ul style="list-style-type: none"> • Cluny Capital Limited (BVI), Director • Cluny Park Capital Pte. Ltd., Director • Cluny Properties Pte. Ltd., Director • Nanyang Technological University, Director/Trustee • Singtel Innov8 Holdings Pte. Ltd., Director • Singtel Innov8 Pte. Ltd., Director • The Singapore London School of Economics Trust, Trustee

Additional Information on Directors Seeking Re-election

Name of Director	Lee Theng Kiat
Date of appointment	15 January 2020
Date of last re-appointment (if applicable)	Not applicable
Age	67
Country of principal residence	Singapore
The Board's comments on this re-election/ appointment	<p>After reviewing the recommendation of the Corporate Governance and Nominations Committee and Mr Lee's qualifications and experience (as set out below), the Board has confirmed Mr Lee's independence and approved that Mr Lee stands for re-election as a non-executive and non-independent Director.</p> <p>Mr Lee will, upon re-election, continue to serve as a member of the Corporate Governance and Nominations Committee, the Executive Resource and Compensation Committee, and the Optus Advisory Committee. He will be appointed Chairman of the Board and Chairman of the Finance and Investment Committee following the conclusion of the 28th Annual General Meeting.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<p>Chairman-designate</p> <p>Non-executive and non-independent Director</p> <p>Member of the Corporate Governance and Nominations Committee</p> <p>Member of the Executive Resource and Compensation Committee</p> <p>Member of the Finance and Investment Committee</p> <p>Member of the Optus Advisory Committee</p>
Professional qualifications	Bachelor of Laws (Honours) from the National University of Singapore
Working experience and occupation(s) during the past 10 years	<p>Temasek Holdings (Private) Limited</p> <p>2019 to present Executive Director</p> <p>2016 to present Director</p>

Additional Information on Directors Seeking Re-election

Name of Director	Lee Theng Kiat
Working experience and occupation(s) during the past 10 years (Cont'd)	<p>Temasek International Pte. Ltd. 2019 to present Chairman 2017 to 2019 Deputy Chairman 2012 to 2015 President 2012 to 2013 General Counsel 2012 to 2013 Head, South East Asia, Co-Head India</p> <p>STT Communications Ltd 2000 to 2012 President & Chief Executive Officer</p> <p>Singapore Technologies Telemedia Pte Ltd 2000 to 2012 President & Chief Executive Officer</p>
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interests (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships	
* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.	
Past (for the last 5 years)	Nil
Present	<p>Other principal commitments:</p> <ul style="list-style-type: none"> Liquidity Pte Ltd, Director Sygnum AG, Zurich, Investor/Shareholder Temasek Holdings (Private) Limited, Executive Director Temasek International Pte. Ltd., Chairman Xi Yan Pte Ltd, Director

Additional Information on Directors Seeking Re-election

Name of Director	Chua Sock Koong	Low Check Kian	Lee Theng Kiat
Information required			
Disclose the following matters concerning an appointment of director.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Additional Information on Directors Seeking Re-election

Name of Director	Chua Sock Koong	Low Check Kian	Lee Theng Kiat
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach for any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Note:
Information as at 8 June 2020.

Shareholder Information

As at 2 June 2020

ORDINARY SHARES

Number of ordinary shareholders	330,743
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Voting rights:

On a show of hands – every member present in person and each proxy shall have one vote

On a poll – every member present in person or by proxy shall have one vote for every share he holds or represents

(The Company cannot exercise any voting rights in respect of shares held by it as treasury shares or subsidiary holdings⁽¹⁾)

Note:

⁽¹⁾ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

SUBSTANTIAL SHAREHOLDERS

	No. of shares	
	Direct interest	Deemed interest
Temasek Holdings (Private) Limited	8,132,818,602	453,517,849 ⁽¹⁾

Note:

⁽¹⁾ Deemed through interests of subsidiaries and associated companies.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of shares held	% of issued share capital ⁽¹⁾
1	Temasek Holdings (Private) Limited	8,132,818,602	49.81
2	Citibank Nominees Singapore Pte Ltd	1,966,275,821	12.04
3	DBS Nominees (Private) Limited	1,787,676,930	10.95
4	DBSN Services Pte Ltd	868,180,066	5.32
5	Central Provident Fund Board	816,202,403	5.00
6	HSBC (Singapore) Nominees Pte Ltd	687,659,667	4.21
7	Atrium Investments Pte Ltd	358,354,351	2.19
8	Raffles Nominees (Pte) Limited	266,022,945	1.63
9	BPSS Nominees Singapore (Pte.) Ltd.	106,811,451	0.65
10	United Overseas Bank Nominees (Private) Limited	66,380,554	0.41
11	OCBC Nominees Singapore Private Limited	37,768,141	0.23
12	Maybank Kim Eng Securities Pte Ltd	26,814,544	0.16
13	Phillip Securities Pte Ltd	23,156,783	0.14
14	OCBC Securities Private Ltd	22,184,370	0.14
15	UOB Kay Hian Pte Ltd	19,594,153	0.12
16	Morgan Stanley Asia (Singapore) Securities Pte Ltd	15,954,095	0.10
17	DB Nominees (Singapore) Pte Ltd	15,856,943	0.10
18	Merrill Lynch (Singapore) Pte Ltd	13,890,897	0.08
19	CGS-CIMB Securities (Singapore) Pte Ltd	13,611,739	0.08
20	CDP Nominees Pte Ltd	10,880,000	0.07
		15,256,094,455	93.43

Note:

⁽¹⁾ The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 2 June 2020.

Shareholder Information

As at 2 June 2020

ANALYSIS OF SHAREHOLDERS

Range of holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 - 99	3,310	1.00	139,973	0.00
100 - 1,000	235,651	71.25	60,695,901	0.37
1,001 - 10,000	74,313	22.47	274,136,547	1.68
10,001 - 1,000,000	17,410	5.26	633,490,569	3.88
1,000,001 and above	59	0.02	15,360,695,310	94.07
	330,743	100.00	16,329,158,300	100.00

Note:
As at 2 June 2020, the Company had no treasury share and subsidiary holdings. Based on information available to the Company as at 2 June 2020, approximately 47% 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 2 June 2020.

SHARE PURCHASE MANDATE

At the 27th Annual General Meeting of the Company held on 23 July 2019 (2019 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 2019 AGM. As at 2 June 2020, there is no current on-market buy-back of shares pursuant to the mandate.

Corporate Information⁽¹⁾

BOARD OF DIRECTORS

Simon Israel (Chairman)
Lee Theng Kiat (Chairman-designate)
Chua Sock Koong (Group CEO)
Gautam Banerjee
Venkataraman (Venky) Ganesan
Bradley Horowitz
Gail Kelly
Low Check Kian
Christina Ong
Teo Swee Lian

AUDIT COMMITTEE

Gautam Banerjee (Chairman)
Gail Kelly
Christina Ong

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Low Check Kian (Chairman)
Simon Israel
Lee Theng Kiat
Gail Kelly
Christina Ong
Teo Swee Lian

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Gail Kelly (Chairman)
Simon Israel
Lee Theng Kiat
Low Check Kian
Teo Swee Lian

FINANCE AND INVESTMENT COMMITTEE

Simon Israel (Chairman)
Lee Theng Kiat
Venky Ganesan
Bradley Horowitz
Low Check Kian

RISK COMMITTEE

Teo Swee Lian (Chairman)
Gautam Banerjee
Christina Ong

LEAD INDEPENDENT DIRECTOR

Low Check Kian
Email: check.low@clunyparkcapital.com

OPTUS ADVISORY COMMITTEE

Gail Kelly (Chairman)
Simon Israel
Lee Theng Kiat
Chua Sock Koong
John Arthur
David Gonski AC⁽²⁾
John Morschel
Paul O'Sullivan

TECHNOLOGY ADVISORY PANEL

Venky Ganesan (Chairman)
Manik Gupta
Bradley Horowitz
Koh Boon Hwee

ASSISTANT COMPANY SECRETARY

Lim Li Ching

REGISTERED OFFICE

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(Toll free within USA)
Tel: +1 781 575 4555 (Outside USA)
Email: citibank@shareholders-online.com
Website: www.citi.com/dr

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(appointed on 24 July 2018)
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Fax: +65 6225 0984

Audit Partner: Ong Pang Thye

INVESTOR RELATIONS

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Notes:

⁽¹⁾ The information in this section is as at 8 June 2020.

⁽²⁾ Companion of the Order of Australia.

Contact Points

SINGAPORE

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AUSTRALIA

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