Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

16,000,000 European Style Cash Settled Short Certificates

relating to the ordinary shares of Singapore Telecommunications Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.25 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 16 July 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

15 July 2021

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 29 to 33 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 49 to 50 of this document for more information;

(q) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 35 to 37 of this document for more information;

(r) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(s) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(t) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(u) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(v) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(w) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(x) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(y) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(z) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(aa) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(bb) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(cc) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**BRRD II**”); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity (“**TLAC**”) of credit institutions and investment firms (the “**SRM II Regulation**” and, together with the BRRD II, the “**EU Banking Package Reforms**”).

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions’ ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of “Minimum TLAC” that will be determined individually for each global systemically important bank (“**G-SIB**”), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the “**CRR**”), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer’s business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	16,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Singapore Telecommunications Limited (the **"Underlying Stock**")
ISIN:	LU2267110406
Company:	Singapore Telecommunications Limited (RIC: STEL.SI)
Underlying Price[3] and Source:	S$2.27 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.25
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	4.60%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	9 July 2021
Closing Date:	15 July 2021

[3] These figures are calculated as at, and based on information available to the Issuer on or about 15 July 2021. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 15 July 2021.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	16 July 2021
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 6 July 2023
Expiry Date:	13 July 2023 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	12 July 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 40 to 55 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where:

"**t**" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 40 to 55 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: $\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$
Initial Reference Level:	1,000
Final Reference Level:	The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 19 to 23 below.
Initial Exchange Rate:	1
Final Exchange Rate:	1

Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 21 to 23 below and the "Description of Air Bag Mechanism" section on pages 46 to 48 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar ("**SGD**")
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited ("**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A "**Business Day**" or an "**Exchange Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")

Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$	means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$\mathrm{LSL}_1 = 1000$

On each subsequent Observation Date(t):

$$\mathrm{LSL}_t = \mathrm{Max}\left[\mathrm{LSL}_{t-1} \times \left(1 + \mathrm{LR}_{t-1,t} - \mathrm{FC}_{t-1,t} - \mathrm{SB}_{t-1,t} - \mathrm{RC}_{t-1,t}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$ means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{\mathrm{S}_t}{\mathrm{S}_{t-1} \times Rfactor_t} - 1\right)$$

$\mathbf{FC_{t-1,t}}$ means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC}_{t-1,t} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate}_{t-1} \times \mathrm{ACT}(t-1,t)}{\mathrm{DayCountBasisRate}}$$

$\mathbf{SB_{t-1,t}}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$\mathrm{SB}_{t-1,t} = -\mathrm{Leverage} \times \frac{\mathrm{CB} \times \mathrm{ACT}(t-1,t)}{\mathrm{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to: 2.00%

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC}_{t-1,t} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{\mathrm{S}_t}{\mathrm{S}_{t-1} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty) that are equal to :

0.04%

Leverage -5

$\mathbf{S_t}$ means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$\mathbf{Rate_t}$ means, in respect of each Observation Date(t), the SGD Swap Offer Rate (SOR) Reference Rate, as published on Reuters RIC SGDTRDONF=ABSG or any successor page, being the rate as of day (t-1), provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Reuters RIC SGDTRDONF=ABSG or any successor page.

$\mathbf{Rfactor_t}$	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula : $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ where Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365

<u>Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)</u>

Extraordinary Strategy Adjustment for Performance Reasons	If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions. (1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows : $$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$ (2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing: $$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$
$\mathbf{ILSL_{IR(k)}}$	means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions : (1) for k = 1 : $$\mathrm{ILSL_{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL_{IRD\text{-}1}} \times \left(1 + \mathrm{ILR_{IR(0),IR(1)}} - \mathrm{FC_{IRD\text{-}1,IRD}} - \mathrm{SB_{IRD\text{-}1,IRD}} - \mathrm{IRC_{IR(0),IR(1)}}\right), 0\right]$$ (2) for k > 1 : $$\mathrm{ILSL_{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(k-1)}} \times \left(1 + \mathrm{ILR_{IR(k-1),IR(k)}} - \mathrm{IRC_{IR(k-1),IR(k)}}\right), 0\right]$$

$ILR_{IR(k-1),IR(k)}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1\right)$$

$IRC_{IR(k-1),IR(k)}$ means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k\text{-}1),IR(k)} = \text{Leverage} \times (\text{Leverage-1}) \times \left(\left|\frac{IS_{IR(k)}}{IS_{IR(k\text{-}1)}}\text{-}1\right|\right) \times TC$$

$IS_{IR(k)}$ means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$

(2) for k=1 to n

means in respect of IR(k), the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k) For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C) means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event means in respect of an Observation Date(t) :

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price **$IS_{IR(0)}$** as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price **$IS_{IR(k)}$** as of such Calculation Time.

Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 18 June 2021, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Singapore Telecommunications Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	16,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

	thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 16 July 2021.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is a qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

[8] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Singapore Telecommunications Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.25 SGD**
Notional Amount per Certificate:	**0.25 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**4.60%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate (“HFF (n)”) is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\mathrm{HFF}\ (1) \ = \ \mathrm{HFF}\ (0) \ \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1) = \ 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 4.60\% \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1) = \ 100\% \times 99.9989\% \times 99.9872\% \approx 99.9861\%$$

Assuming 2^{nd} Exchange Business Day falls 3 Calendar Days after 1^{st} Exchange Business Day:

$$\mathrm{HFF}\ (2) = \mathrm{HFF}\ (1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9861\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 4.60\% \times \frac{3}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9861\% \times 99.9967\% \times 99.9617\% \approx 99.9445\%$$

The same principle applies to the following Exchange Business Days:

$$\mathrm{HFF}\ (n) = \mathrm{HFF}\ (n-1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7919% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9861%
5/7/2018	99.9722%
6/7/2018	99.9583%
9/7/2018	99.9167%
10/7/2018	99.9028%
11/7/2018	99.8889%
12/7/2018	99.8751%
13/7/2018	99.8612%
16/7/2018	99.8196%
17/7/2018	99.8057%
18/7/2018	99.7919%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7919%

= 119.75%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.75% x 0.25 SGD

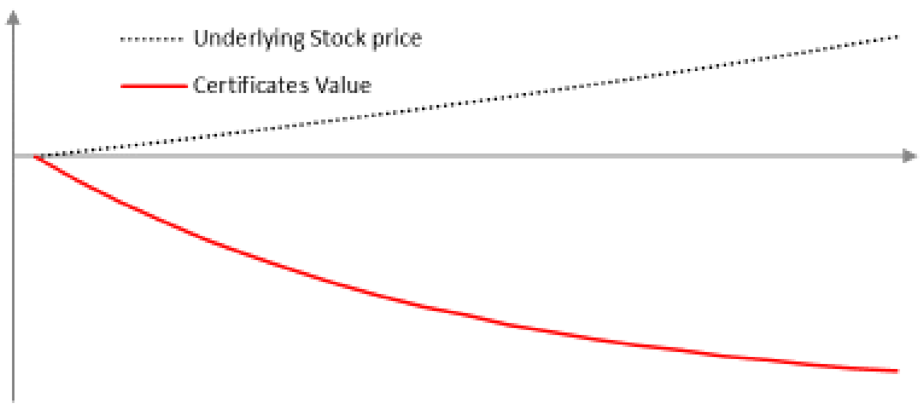
= 0.299 SGD

Illustration on how returns and losses can occur under different scenarios

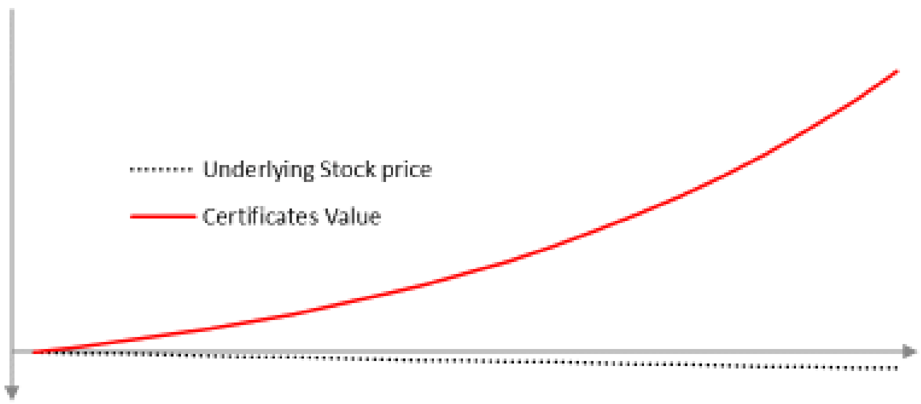
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

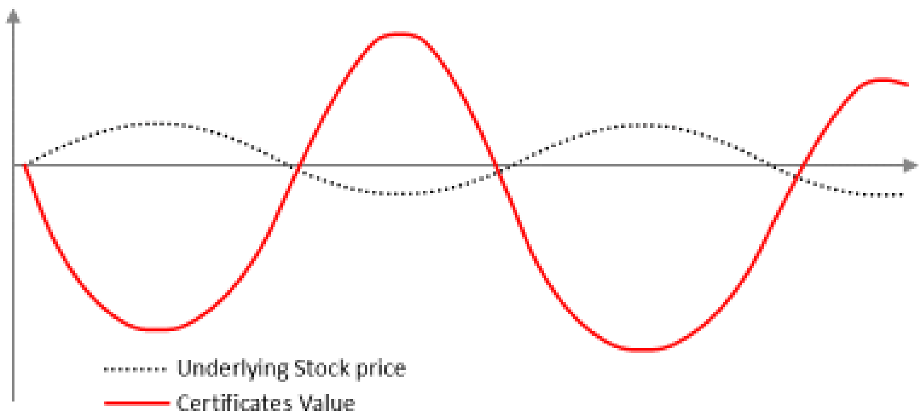
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. <u>Numerical Examples</u>

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.25	0.22	0.20	0.18	0.16	0.15
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.25	0.28	0.30	0.33	0.37	0.40
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.25	0.22	0.25	0.22	0.25	0.22
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an "Air Bag Mechanism" which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

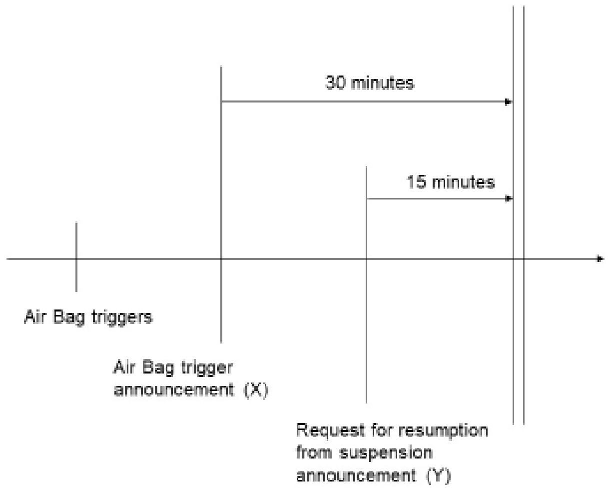
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="5">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>45 minutes before Market Close</td><td rowspan="6">Next trading day at Market Open</td></tr>
<tr><td>30 to 45 minutes before Market Close</td></tr>
<tr><td>30 minutes before Market Close</td></tr>
<tr><td>15 to 30 minutes before Market Close</td></tr>
<tr><td>15 minutes before Market Close</td><td rowspan="2">From Air Bag Trigger to Market Close</td></tr>
<tr><td>Less than 15 minutes before Market Close</td></tr>
</table>

With **Market Close** defined as:

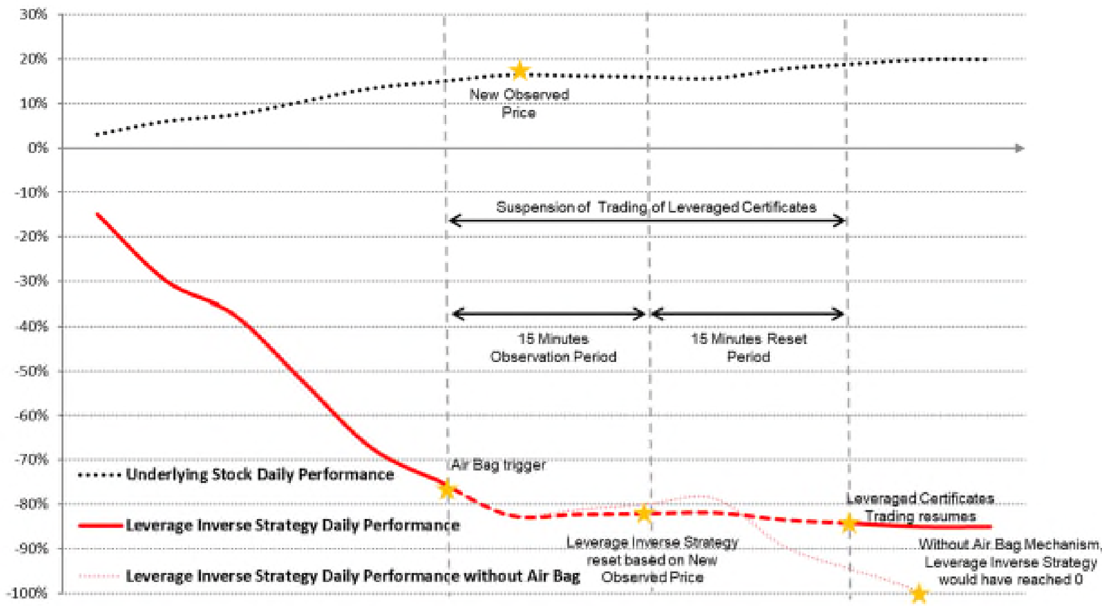
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



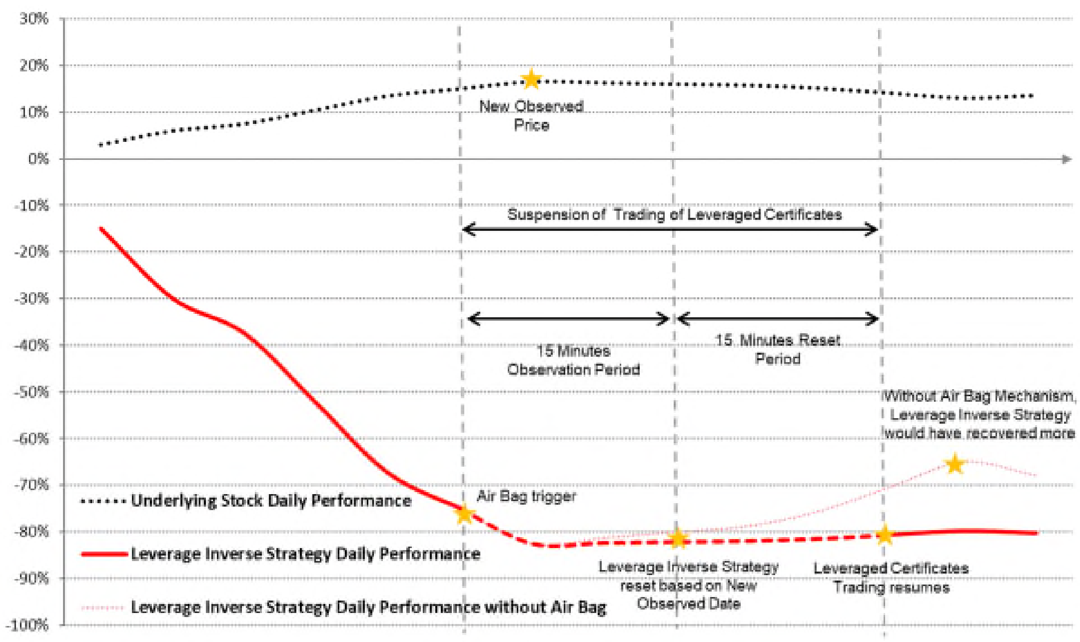
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day.

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



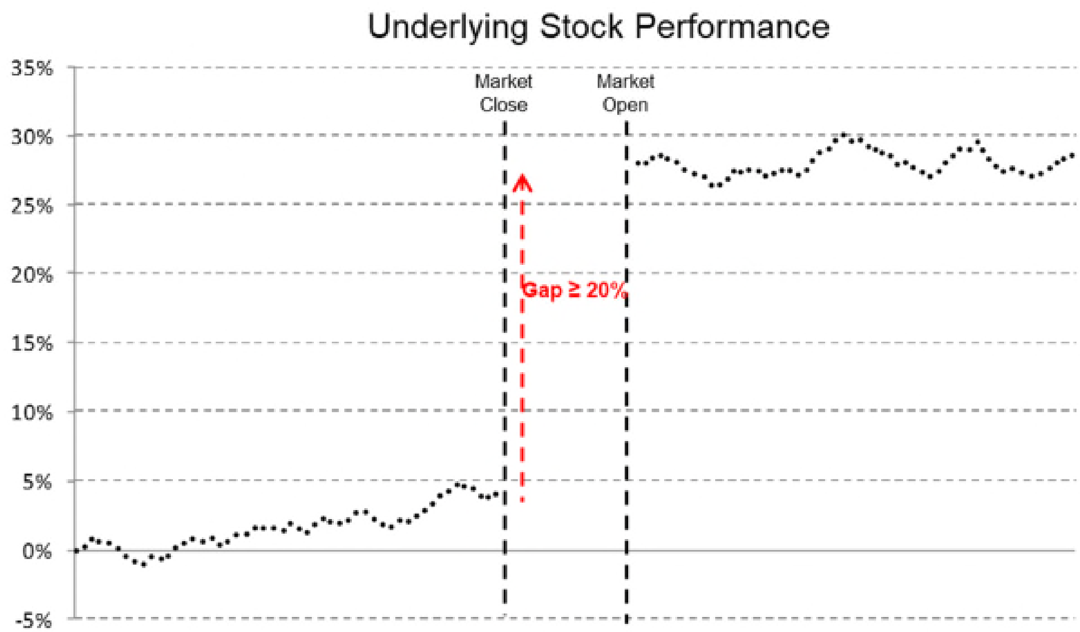
[9] The illustrative examples are not exhaustive.

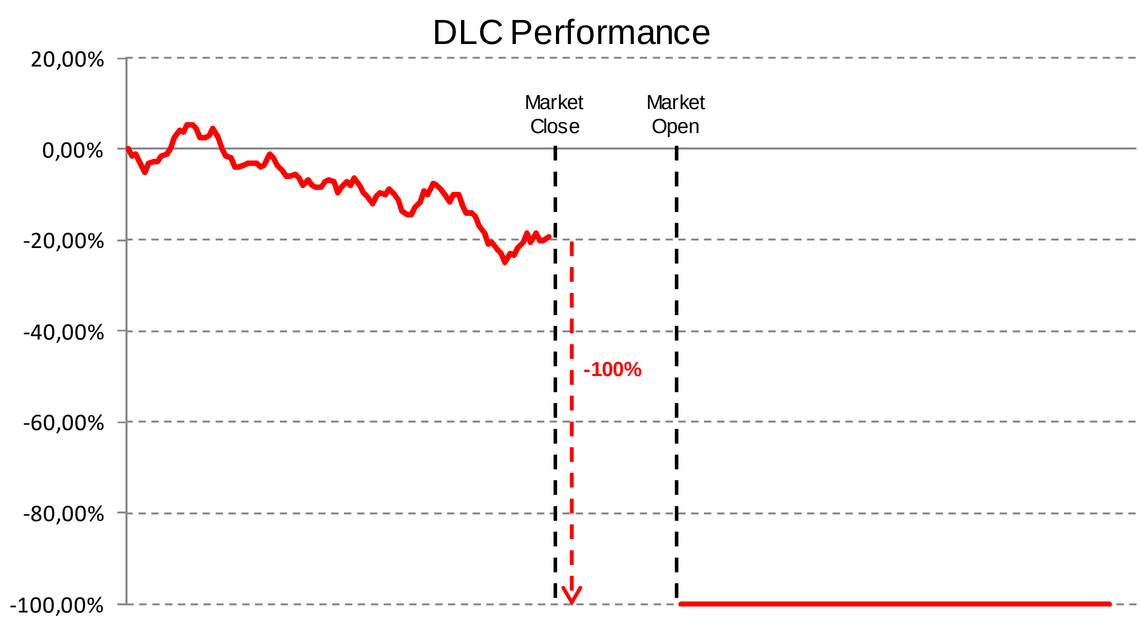
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

<u>*Scenario 1 – Overnight rise of the Underlying Stock*</u>

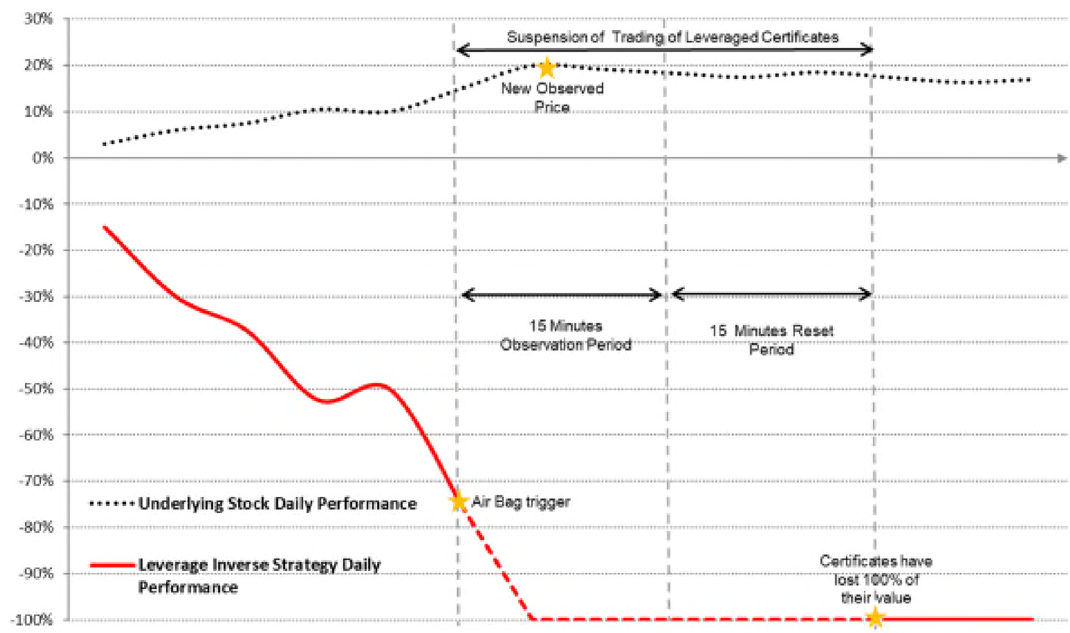
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S_{t-1}}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S_{t-1}}$ = \$100

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = -10\%$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.25	0.225	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $57.5, which is 15% above $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

S_{t-1} = $100

S_t = $202

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = -5\%$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.25	0.2375	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $230, which is 15% above $200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

S_{t-1} = $100

S_t = $84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.25	0.1875	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = $100

S_t = $85

$Div_t = \$0$

$DivExc_t = \$0$

R = $0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.25	0.225	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $95.83, which is 15% above $83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of $20 (net of taxes) paid in respect of each stock.

S_{t-1} = $100

S_t = $84

$Div_t = \$0$

$DivExc_t = \$20$

R = $0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.25	0.1875	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at http://www.sgx.com. The Issuer has not independently verified any of such information.

Singapore Telecommunications Limited ("**SingTel**" or the "**Company**") was corporatised on 1 April 1992 and listed on the local stock exchange in November 1993. It is majority-owned (2019: 49.8 percent) by Temasek Holdings (Private) Limited. Singtel is a leading communications technology group in Asia, and has played a key role in Singapores development as a telecommunications hub for the region over the course of its 140-year history.

Headquartered in Singapore, Singtel provides an extensive range of telecommunications and digital services to consumers and enterprises through its three business groups - Group Consumer, Group Enterprise and Group Digital Life. Singtel has stakes in leading mobile operators in high-growth emerging markets - AIS in Thailand, Bharti Airtel in India, Globe in the Philippines and Telkomsel in Indonesia. Together with these regional associates and its wholly-owned subsidiary Optus, Singtel serves over 700 million mobile customers in 21 countries. Its infrastructure and technology services for businesses span 21 countries with more than 428 direct points of presence in 362 cities.

The information set out in the Appendix to this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 7 July 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at http://www.sgx.com.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) where the Certificates are suspended from trading for any reason;

(iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(viii) if the stock market experiences exceptional price movement and volatility;

(ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and

(x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 31 March 2021, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

   (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the latest financial reports (including the notes thereto) of the Guarantor;

   (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

   (e) the Base Listing Document;

   (f) this document; and

   (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

   (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

   (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the

Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term

"**U.S. person**" means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") or any rules thereunder of the CFTC (the "**CFTC Rules**"), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 OF SINGAPORE TELECOMMUNICATIONS LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 7 July 2021 in relation to the same.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2021

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 2021 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 124 to 237.

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 2021 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

The key audit matter	*How the matter was addressed in our audit*
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.	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. 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.

Revenue recognition *(Cont'd)*

The key audit matter	*How the matter was addressed in our audit*
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.	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.

Impairment assessment of goodwill

The key audit matter	*How the matter was addressed in our audit*
Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment. At 31 March 2021, the Group's statement of financial position includes goodwill amounting to S$10.8 billion, primarily related to the following cash generating units ("CGUs"): Singtel Optus Pty Limited ("**Optus**"): S$9.5 billion Amobee, Inc. ("**Amobee**"): S$0.4 billion Global Cyber Security: S$0.7 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 over a period of 7 or 10 years and the value of the cash flows for the years thereafter using a long-term growth rate. For Amobee and Global Cyber Security, the recoverable amounts were assessed to be below the carrying values of the CGUs and an impairment loss of S$841 million (S$532 million for Amobee and S$309 million for Global Cyber Security) was recognised in the income statement with a corresponding reduction of the carrying values. As the recoverable amount for the other CGUs was assessed to be in excess of the respective carrying amounts, no impairment was determined. Forecasting of future cash flows is a highly judgemental 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.	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 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.

Findings
We found the identification of CGUs to be reasonable and appropriate.

We found the key assumptions and estimates used in determining the impairment losses recorded to be within a supportable range.

We found the computation of the impairment amount to be reasonable.

Share of joint ventures' reported contingent liabilities and provision for losses relating to regulatory litigations and tax disputes

The key audit matter	*How the matter was addressed in our audit*
The Group's significant joint ventures have a number of on-going disputes and litigations with their local regulators and tax authorities. The Group may be exposed to significant losses as a result of the unfavourable outcome of such disputes. 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'.	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*.

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 Group's share of losses relating to the joint ventures' litigations and disputes were also found to be appropriately recorded.

Taxation

The key audit matter	*How the matter was addressed in our audit*
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.	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 financial statements. With respect to the ATO matter: • Involving our tax specialists 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 2021; • Examining the advice that the Group had obtained from external specialists to support the position taken by management; and • Discussing with management and external specialists on the appropriateness of the management'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*.

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.

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 2021

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 May 2021

Consolidated Income Statement

For the financial year ended 31 March 2021

	Notes	2021 S$ Mil	2020 S$ Mil
Operating revenue	4	**15,644.0**	16,542.3
Operating expenses	5	**(11,953.9)**	(12,179.7)
Other income	6	**141.5**	178.8
		3,831.6	4,541.4
Depreciation and amortisation	7	**(2,684.8)**	(2,580.3)
		1,146.8	1,961.1
Exceptional items	8	**(604.3)**	415.7
Profit on operating activities		**542.5**	2,376.8
Share of results of associates and joint ventures	9	**606.7**	(529.6)
Profit before interest, investment income (net), and tax		**1,149.2**	1,847.2
Interest and investment income (net)	10	**2.9**	180.0
Finance costs	11	**(398.1)**	(461.8)
Profit before tax		**754.0**	1,565.4
Tax expense	12	**(194.1)**	(513.2)
Profit after tax		**559.9**	1,052.2
Attributable to:			
Shareholders of the Company		**553.7**	1,074.6
Non-controlling interests		**6.2**	(22.4)
		559.9	1,052.2
Earnings per share attributable to shareholders of the Company			
– basic (cents)	13	**3.38**	6.58
– diluted (cents)	13	**3.38**	6.56

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2021

	2021 S$ Mil	2020 S$ Mil
Profit after tax	**559.9**	1,052.2
Other comprehensive income/ (loss)		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**705.0**	(830.7)
Reclassification of translation loss to income statement on dilution of interest in joint ventures	**50.3**	155.4
Cash flow hedges		
– Fair value changes	**(716.3)**	506.9
– Tax effects	**95.5**	(84.3)
	(620.8)	422.6
– Fair value changes transferred to income statement	**555.0**	(433.2)
– Tax effects	**(88.0)**	84.2
	467.0	(349.0)
	(153.8)	73.6
Share of other comprehensive loss of associates and joint ventures	**(283.8)**	(46.7)
Reclassification of share of other comprehensive gain of joint ventures to income statement on dilution of interest in joint ventures	**(55.2)**	(232.2)
Items that will not be reclassified subsequently to income statement:		
Fair value changes on Fair Value through Other Comprehensive Income ("**FVOCI**") investments	**132.9**	(184.9)
Other comprehensive income/ (loss), net of tax	**395.4**	(1,065.5)
Total comprehensive income/ (loss)	**955.3**	(13.3)
Attributable to:		
Shareholders of the Company	**949.1**	8.0
Non-controlling interests	**6.2**	(21.3)
	955.3	(13.3)

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Financial Position

As at 31 March 2021

		Group		Company	
	Notes	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Current assets					
Cash and cash equivalents	15	**754.7**	999.6	**126.2**	97.3
Trade and other receivables	16	**5,443.7**	5,559.4	**2,163.5**	2,065.3
Inventories	17	**271.6**	279.6	**35.6**	26.3
Derivative financial instruments	18	**62.2**	337.2	**1.2**	5.3
		6,532.2	7,175.8	**2,326.5**	2,194.2
Non-current assets					
Property, plant and equipment	19	**11,534.1**	10,363.8	**2,282.7**	2,205.8
Right-Of-Use assets	20	**2,055.7**	2,060.5	**569.1**	623.5
Intangible assets	21	**13,129.1**	13,735.9	**–**	–
Subsidiaries	22	**–**	–	**19,399.9**	19,679.2
Joint ventures	23	**11,027.9**	11,637.7	**22.8**	22.8
Associates	24	**2,055.8**	2,074.1	**24.7**	24.7
Fair value through other comprehensive income ("**FVOCI**") investments	26	**650.9**	515.0	**3.3**	4.0
Derivative financial instruments	18	**23.9**	517.5	**3.7**	134.2
Deferred tax assets	12	**302.1**	234.2	**–**	–
Other assets	27	**686.7**	640.4	**88.3**	105.7
		41,466.2	41,779.1	**22,394.5**	22,799.9
Total assets		**47,998.4**	48,954.9	**24,721.0**	24,994.1
Current liabilities					
Trade and other payables	28	**5,976.8**	5,640.9	**2,388.7**	2,417.1
Advance billings		**808.0**	732.9	**80.3**	85.5
Current tax liabilities		**267.8**	199.4	**77.8**	76.4
Borrowings (unsecured)	29	**1,612.3**	3,588.2	**–**	–
Borrowings (secured)	30	**421.6**	382.3	**60.6**	63.2
Derivative financial instruments	18	**29.5**	14.0	**4.1**	–
Net deferred gain	32	**20.8**	20.8	**–**	–
		9,136.8	10,578.5	**2,611.5**	2,642.2

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Financial Position

As at 31 March 2021

	Notes	Group 31 March 2021 S$ Mil	Group 31 March 2020 S$ Mil	Company 31 March 2021 S$ Mil	Company 31 March 2020 S$ Mil
Non-current liabilities					
Advance billings		**147.8**	189.9	**96.9**	122.2
Borrowings (unsecured)	29	**9,042.4**	8,384.0	**799.4**	942.5
Borrowings (secured)	30	**1,783.2**	1,818.1	**524.0**	581.2
Derivative financial instruments	18	**338.5**	122.9	**76.7**	45.1
Net deferred gain	32	**367.4**	373.7	**–**	–
Deferred tax liabilities	12	**498.9**	525.5	**301.0**	275.5
Other non-current liabilities	33	**172.0**	148.3	**22.6**	18.7
		12,350.2	11,562.4	**1,820.6**	1,985.2
Total liabilities		**21,487.0**	22,140.9	**4,432.1**	4,627.4
Net assets		**26,511.4**	26,814.0	**20,288.9**	20,366.7
Share capital and reserves					
Share capital	34	**4,573.5**	4,127.3	**4,573.5**	4,127.3
Reserves		**21,912.3**	22,661.9	**15,715.4**	16,239.4
Equity attributable to shareholders of the Company		**26,485.8**	26,789.2	**20,288.9**	20,366.7
Non-controlling interests		**25.6**	24.8	**–**	–
Total equity		**26,511.4**	26,814.0	**20,288.9**	20,366.7

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Changes in Equity

For the financial year ended 31 March 2021

Group – 2021	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
	Attributable to shareholders of the Company										
Balance as at 1 April 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
Changes in equity for the year											
Performance shares purchased by the Company	–	(1.4)	–	–	–	–	–	–	(1.4)	–	(1.4)
Performance shares purchased by the Company on behalf of subsidiaries	–	(1.4)	–	–	–	–	–	–	(1.4)	–	(1.4)
Performance shares purchased by Trust[4]	–	(9.5)	–	–	–	–	–	–	(9.5)	–	(9.5)
Performance shares vested	–	20.8	(20.8)	–	–	–	–	–	–	–	–
Equity-settled share-based payment	–	–	34.1	–	–	–	–	–	34.1	–	34.1
Transfer of liability to equity	–	–	5.1	–	–	–	–	–	5.1	–	5.1
Performance shares purchased by Singtel Optus Pty Limited (“**Optus**”) and vested	–	–	(3.4)	–	–	–	–	–	(3.4)	–	(3.4)
Goodwill reclassified on dilution of equity interest in joint venture	–	–	–	–	–	–	(22.3)	22.3	–	–	–
Final dividend paid (see **Note 35**)	–	–	–	–	–	–	(889.7)	–	(889.7)	–	(889.7)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	–	(832.5)	–	(832.5)	–	(832.5)
Shares issued under the Singtel Scrip Dividend Scheme for interim dividend (see **Note 34**)	446.2	–	–	–	–	–	–	–	446.2	–	446.2
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(5.4)	(5.4)
Reclassification due to disposal of FVOCI investments	–	–	–	–	–	5.5	(5.5)	–	–	–	–
	446.2	8.5	15.0	–	–	5.5	(1,750.0)	22.3	(1,252.5)	(5.4)	(1,257.9)
Total comprehensive income/ (loss) for the year	–	–	–	755.3	(153.8)	132.9	553.7	(339.0)	949.1	6.2	955.3
Balance as at 31 March 2021	4,573.5	(22.5)	(52.0)	(1,688.6)	(79.9)	(75.8)	24,252.0	(420.9)	26,485.8	25.6	26,511.4

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Changes in Equity

For the financial year ended 31 March 2021

Group – 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
Balance as at 1 April 2019	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[4]	–	(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 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	–	–	–	–	–	–	–	–	–	(5.2)	(5.2)
Deconsolidation of subsidiary	–	–	(2.9)	–	–	–	–	–	(2.9)	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 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Changes in Equity

For the financial year ended 31 March 2021

Company – 2021	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 2020	4,127.3	(1.6)	49.1	30.2	0.7	16,161.0	20,366.7
Changes in equity for the year							
Performance shares purchased by the Company	–	(1.4)	–	–	–	–	(1.4)
Performance shares vested	–	1.4	(1.4)	–	–	–	–
Equity-settled share-based payment	–	–	11.0	–	–	–	11.0
Transfer of liability to equity	–	–	5.1	–	–	–	5.1
Contribution to Trust[4]	–	–	(7.4)	–	–	–	(7.4)
Final dividend paid (see **Note 35**)	–	–	–	–	–	(889.9)	(889.9)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	(832.8)	(832.8)
Shares issued under the Singtel Scrip Dividend Scheme for interim dividend (see **Note 34**)	446.2	–	–	–	–	–	446.2
	446.2	–	7.3	–	–	(1,722.7)	(1,269.2)
Total comprehensive (loss)/ income for the year	–	–	–	(29.1)	(0.7)	1,221.2	1,191.4
Balance as at 31 March 2021	4,573.5	(1.6)	56.4	1.1	–	15,659.5	20,288.9

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Statements of Changes in Equity

For the financial year ended 31 March 2021

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	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[4]	–	–	(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

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) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2021

	2021 S$ Mil	2020 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**754.0**	1,565.4
Adjustments for –		
Depreciation and amortisation	**2,684.8**	2,580.3
Share of results of associates and joint ventures	**(606.7)**	529.6
Exceptional items (non-cash)	**484.5**	(486.0)
Interest and investment income (net)	**(2.9)**	(180.0)
Finance costs	**398.1**	461.8
Other non-cash items	**43.9**	35.6
	3,001.7	2,941.3
Operating cash flow before working capital changes	**3,755.7**	4,506.7
Changes in operating assets and liabilities		
Trade and other receivables	**537.9**	188.5
Trade and other payables	**8.3**	55.8
Inventories	**37.6**	119.5
Cash generated from operations	**4,339.5**	4,870.5
Dividends received from associates and joint ventures	**1,433.5**	1,439.2
Income tax and withholding tax paid	**(164.0)**	(491.9)
Payment to employees in cash under performance share plans	**–**	(0.5)
Net cash from operating activities	**5,609.0**	5,817.3
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	**(2,214.4)**	(2,036.6)
Purchase of intangible assets	**(214.0)**	(350.0)
Investment in associate/ joint venture (**Note 1**)	**(4.2)**	(761.8)
Payment/ Deferred payment for acquisition of subsidiaries, net of cash acquired (**Note 2**)	**(261.1)**	(4.2)
Payment for acquisition of FVOCI investments	**(20.4)**	(85.2)
Deconsolidation of subsidiary	**–**	(3.0)
Proceeds/ Deferred proceeds from disposal of associate and joint venture	**3.5**	6.9
Proceeds from sale of property, plant and equipment	**31.3**	145.8
Proceeds from sale of FVOCI investments	**12.8**	30.8
Interest received	**2.2**	6.8
Investment income received from FVOCI investments (net of withholding tax paid)	**13.0**	147.7
Withholding tax paid on intra-group interest income	**(14.9)**	(18.0)
Net cash used in investing activities	**(2,666.2)**	(2,920.8)

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2021

	Note	2021 S$ Mil	2020 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**4,868.3**	5,684.6
Repayment of term loans		**(5,935.6)**	(5,667.9)
Proceeds from bond issue		**1,864.2**	1,803.7
Repayment of bonds		**(2,060.4)**	(690.3)
Lease payments		**(429.3)**	(403.9)
Net (repayment of)/ proceeds from borrowings		**(1,692.8)**	726.2
Final dividend paid to shareholders of the Company		**(889.7)**	(1,746.7)
Interim dividend paid to shareholders of the Company		**(383.2)**	(1,110.0)
Net interest paid on borrowings and swaps		**(392.5)**	(463.3)
Settlement of swaps for bonds repaid		**196.8**	173.9
Purchase of performance shares		**(15.7)**	(23.0)
Dividend paid to non-controlling interests		**(5.4)**	(5.2)
Others		**(7.5)**	(8.5)
Net cash used in financing activities		**(3,190.0)**	(2,456.6)
Net change in cash and cash equivalents		**(247.2)**	439.9
Exchange effects on cash and cash equivalents		**(2.1)**	37.2
Cash and cash equivalents at beginning of year		**989.8**	512.7
Cash and cash equivalents at end of year	15	**740.5**	989.8

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2021

Note 1: Investment in joint venture

In the previous 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 subsidiaries

(a) On 27 November 2020, NCS Pte. Ltd., a wholly-owned subsidiary of the Group, completed the acquisition of 2359 Media Pte. Ltd., a digital services consultancy firm, for S$4.1 million. The fair values of identifiable net assets and the cash outflow on the acquisition were as follows –

	31 March 2021 S$ Mil
Identifiable intangible assets (provisional)	3.7
Non-current assets	0.3
Cash and cash equivalents	0.2
Current assets (excluding cash and cash equivalents)	1.3
Total liabilities	(1.4)
Net assets acquired	4.1
Goodwill (provisional)	–
Total cash consideration	4.1
Less: Consideration unpaid as at 31 March 2021	(1.7)
Less: Cash and cash equivalents acquired	(0.2)
Net outflow of cash	**2.2**

(b) On 1 February 2021, Optus Mobile Pty Limited, a wholly-owned subsidiary of the Group, completed the acquisition of the mobile business of amaysim Australia Limited, for S$255 million (A$250 million). The fair values of identifiable net assets and the cash outflow on the acquisition were as follows –

	31 March 2021 S$ Mil
Non-current assets	2.8
Cash and cash equivalents	*
Current assets (excluding cash and cash equivalents)	3.5
Total liabilities	(16.5)
Net liabilities acquired	(10.2)
Goodwill (provisional)	264.8
Total cash consideration	254.6
Less: Consideration unpaid as at 31 March 2021	(0.3)
Less: Cash and cash equivalents acquired	*
Net outflow of cash	**254.3**

"" denotes amount of less than +/-S$0.05 million.*

(c) During the financial year, deferred payment of S$4.6 million (2020: S$4.2 million) was made in respect of the acquisition of Hivint Pty Limited.

The accompanying notes on pages 135 to 237 form an integral part of these financial statements.
Independent Auditors' Report – pages 116 to 123.

Notes to the Financial Statements

For the financial year ended 31 March 2021

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 finite terms, 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 25 May 2021.

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**.

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. The adoption of the new or revised SFRS(I)s and Interpretations to SFRS(I) ("**INT SFRS(I)**") which were mandatory from 1 April 2020 resulted in changes to the Group's accounting policies but have had no significant impact on the financial statements of the Group or the Company in the current financial year.

The following are the relevant new or revised SFRS(I)s, amendments and INT SFRS(I) adopted by the Group in the current financial year –

Amendments to References to Conceptual Framework in SFRS(I) Standards
Definition of a Business (Amendments to SFRS(I) 3)
Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The Group has considered the transition disclosure requirements specified in Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7) and the disclosure requirements in paragraph 28 of SFRS(I) 1-8. In determining the nature and extent of disclosure, the Group also considered its facts and circumstances and the extent to which it is affected by the amendments. Please refer to **Note 2.16.1** for the disclosures.

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.

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'.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.3.3 Translation of foreign operations' financial statements *(Cont'd)*

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.13.2 Associates *(Cont'd)*

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.

If the share of the unrealised gain exceeds its interest in the associate, the unrealised gain is presented net of the Group's carrying amount of the associate.

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.16.1 Hedge accounting *(Cont'd)*

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.

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.

Hedges directly affected by interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally to replace some of the interbank offered rates ("**IBORs**") with alternative risk-free rates. The Group has exposure to IBORs on its loans and derivatives that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform may have some impact on its risk management and hedge accounting and has started to engage the existing lenders to plan the transition of the affected loans and derivatives. The impact to the Group will be assessed once there is clarity to the timing and methods of transition for the IBORs.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.16.1 Hedge accounting *(Cont'd)*

Hedges directly affected by interest rate benchmark reform *(Cont'd)*

The Group's exposure to London Interbank Offered Rate and Swap Offered Rate ("**SOR**") designated in hedging relationships that may be affected by the interest rate benchmark reform approximates S$5.29 billion and US$600 million as at 31 March 2021 (2020: S$5.29 billion and US$600 million), representing the notional amount of the hedging interest rate and cross currency swaps maturing in 2021 to 2031.

For cash flow hedging relationships impacted by the interest rate benchmark reform, the Group assumes that the cash flows of the hedged item and hedging instrument will not be altered.

In Singapore, Singapore Interbank Offered Rate ("**SIBOR**") and SOR continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for SIBOR and SOR. The Group believes the current market structure supports the continuation of hedge accounting as at 31 March 2021.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.17 Fair Value Estimation of Financial Instruments *(Cont'd)*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.19 Property, Plant and Equipment *(Cont'd)*

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.20 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.

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2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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 3 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.23 Share Capital *(Cont'd)*

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).

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.24 Revenue Recognition *(Cont'd)*

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.

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

2.25.1 Lessee accounting *(Cont'd)*

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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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.

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. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS *(Cont'd)*

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.

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 judgement 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**.

Notes to the Financial Statements

For the financial year ended 31 March 2021

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS *(Cont'd)*

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 2021, 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 the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in **Note 2.25**.

4. OPERATING REVENUE

	Group	
	2021 **S$ Mil**	**2020** **S$ Mil**
Mobile service [1]	**4,657.6**	4,854.5
Sale of equipment	**2,360.5**	2,567.5
Handset operating lease income [2]	**133.9**	200.4
Mobile	**7,152.0**	7,622.4
Data and Internet	**3,404.9**	3,611.9
Managed services	**1,949.9**	1,777.1
Cyber security	**564.4**	565.8
Business application services	**592.3**	564.1
Communication engineering	**152.7**	145.4
Infocomm Technology (“**ICT**”) [3]	**3,259.3**	3,052.4
Digital businesses [4]	**937.8**	1,168.6
Fixed voice	**546.6**	705.2
Pay television	**285.6**	313.5
Others [5]	**57.8**	68.3
Operating revenue	**15,644.0**	16,542.3
Operating revenue	**15,644.0**	16,542.3
Other income	**141.5**	178.8
Interest and investment income (see **Note 10**)	**2.9**	180.0
Total	**15,788.4**	16,901.1

Notes:

(1) Included 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) Comprised revenue from lease of handsets to mobile customers. Handset leasing plans in Australia ceased from July 2019.

(3) Included equipment sales related to ICT services.

(4) Mainly from provisions of digital marketing and advertising services.

(5) Included energy reselling fees.

As at 31 March 2021, the transaction price attributable to unsatisfied performance obligations for ICT services rendered by NCS Pte. Ltd. was approximately S$3 billion (31 March 2020: 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	
	2021 S$ Mil	2020 S$ Mil
Cost of equipment sold [(1)]	**2,942.4**	3,060.9
Other cost of sales	**2,414.9**	2,622.3
Staff costs	**2,466.4**	2,426.1
Selling and administrative costs [(2)]	**2,013.8**	2,087.0
Traffic expenses	**1,679.4**	1,593.3
Repair and maintenance	**437.0**	390.1
	11,953.9	12,179.7

Notes:

(1) Included equipment costs related to ICT services.

(2) Included supplies and services.

5.1 Staff Costs

	Group	
	2021 S$ Mil	2020 S$ Mil
Staff costs included the following –		
Contributions to defined contribution plans	**215.7**	203.6
Jobs Support Scheme credits from Singapore government	**(107.1)**	(49.5)
Performance share and share option expenses		
– equity-settled arrangements	**34.1**	31.5
– cash-settled arrangements	**6.3**	7.5

5. OPERATING EXPENSES *(Cont'd)*

5.2 Key Management Personnel Compensation

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Key management personnel compensation [(1)]		
Executive director [(2)]	**3.2**	3.1
Other key management personnel [(3)]	**17.8**	13.0
	21.0	16.1
Directors' remuneration [(4)]	**2.0**	3.0
	23.0	19.1

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) Yuen Kuan Moon, the former Chief Executive Officer of Consumer Singapore, was appointed as Executive director and Group Chief Executive Officer of the Company on 1 January 2021. For the current financial year ended 31 March 2021, the compensation of the Executive director comprised Chua Sock Koong's compensation from 1 April 2020 to 31 December 2020 as well as Yuen Kuan Moon's compensation from 1 January 2021 to 31 March 2021. Chua Sock Koong was the only Executive director of the Company during the financial year ended 31 March 2020.

During the current financial year, Yuen Kuan Moon and Chua Sock Koong were awarded up to 1,723,680 (2020: 1,062,602) 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$1.7 million (2020: S$1.6 million).

(3) The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Australia, Consumer Singapore, Group Enterprise, NCS, Strategic Portfolio (formerly Chief Executive Officer of Group Digital Life), Group Chief Corporate Officer (formerly Group Chief Financial Officer), Group Chief Financial Officer (formerly Chief Executive Officer of International Group), Group Chief Human Resources Officer, Group Chief Information Officer, and Group Chief Technology Officer/ Chief Digital Officer, as well as former Chief Executive Officer of Group Strategy and Business Development and former Group Chief Corporate Officer.

The other key management personnel were awarded up to 3,395,484 (2020: 3,612,224) 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 (2020: S$6.2 million).

(4) Directors' remuneration comprised the following:

(i) Directors' fees of S$2.0 million (2020: S$3.0 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$9,537 (2020: S$37,679).

In addition to the Directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was previously awarded share options pursuant to the Amobee Long-Term Incentive Plan. The share option expense computed in accordance with SFRS(I) 2 was S$30,743 (2020: S$68,585).

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.

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.

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

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 2021	Outstanding as at 1 April 2020 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2021 '000
Date of grant					
FY2018 [1]					
19 June 2017	3,563	–	(3,548)	(15)	–
September 2017 to March 2018	43	–	(43)	–	–
FY2019					
19 June 2018	7,841	–	(3,886)	(219)	3,736
September 2018 to March 2019	288	–	(144)	(18)	126
FY2020					
20 June 2019	7,778	–	(17)	(496)	7,265
September 2019 to March 2020	223	–	–	(16)	207
FY2021					
23 June 2020	–	10,005	–	(553)	9,452
September 2020 to March 2021	–	188	–	–	188
	19,736	10,193	(7,638)	(1,317)	20,974

Note:

(1) "FY2018" denotes financial year ended 31 March 2018.

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

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						
FY2017						
20 June 2016	3,052	–	–	(3,013)	(39)	–
September 2016 to March 2017	14	–	–	(14)	–	–
FY2018						
19 June 2017	6,618	–	1,053	(3,879)	(229)	3,563
September 2017 to March 2018	234	–	23	(82)	(132)	43
FY2019						
19 June 2018	8,820	–	–	(106)	(873)	7,841
September 2018 to March 2019	306	–	–	–	(18)	288
FY2020						
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

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

	Date of grant		
Equity-settled	**19 June 2018**	**20 June 2019**	**23 June 2020**
Fair value at grant date	S$2.85	S$2.85	S$2.27
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.6%	11.8%	19.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2018	36 months historical volatility preceding May 2019	36 months historical volatility preceding May 2020
Risk free interest rates			
Yield of Singapore Government Securities on	7 June 2018	6 June 2019	17 June 2020

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

Cash-settled	**Date of grant**		
2021	**19 June 2018**	**20 June 2019**	**23 June 2020**
Fair value at 31 March 2021	S$2.42	S$2.37	S$2.26
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	22.3%	22.3%	22.3%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2021		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2021	31 March 2021	31 March 2021

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

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2021	Outstanding as at 1 April 2020 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2021 '000
Date of grant					
FY2018					
19 June 2017	4,486	–	(7)	(4,479)	–
September 2017 to March 2018	17	–	–	(17)	–
FY2019					
19 June 2018	3,845	–	(6)	(52)	3,787
September 2018 to March 2019	36	–	–	(16)	20
FY2020					
20 June 2019	5,969	–	(5)	(113)	5,851
September 2019 to March 2020	129	–	–	–	129
FY2021					
23 June 2020	–	5,873	–	(66)	5,807
September 2020 to March 2021	–	45	–	–	45
	14,482	5,918	(18)	(4,743)	15,639

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2020	Outstanding as at 1 April 2019 '000	Granted '000	Cancelled '000	Outstanding as at 31 March 2020 '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

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

	Date of grant		
Equity-settled	**19 June 2018**	**20 June 2019**	**23 June 2020**
Fair value at grant date	S$1.77	S$1.77	S$1.36
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.6%	11.8%	19.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2018	36 months historical volatility preceding May 2019	36 months historical volatility preceding May 2020
Risk free interest rates			
Yield of Singapore Government Securities on	7 June 2018	6 June 2019	17 June 2020

5. OPERATING EXPENSES *(Cont'd)*

5.3.1 Performance share plans *(Cont'd)*

Cash-settled	**Date of grant**		
2021	**19 June 2018**	**20 June 2019**	**23 June 2020**
Fair value at 31 March 2021	S$0.97	S$1.11	S$1.19
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	22.3%	22.3%	22.3%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2021		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2021	31 March 2021	31 March 2021

Cash-settled	**Date of grant**		
2020	**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

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.

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For the financial year ended 31 March 2021

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$
For employees		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016	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
For non-executive directors		
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 2020 to 31 March 2021,

(a) no options in respect of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries.

(b) 609,304 ordinary shares of Amobee were issued pursuant to the exercise of options granted under the Amobee LTI Plan.

As at 31 March 2021, options in respect of an aggregate of 66.2 million of ordinary shares in Amobee were 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.

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 **Date of grant**	**Exercise price** **US$**	**Fair value at grant date** **US$**
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92
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 2020 to 31 March 2021, no options in respect of common stock in Trustwave have been granted. As at 31 March 2021, no options in respect of common stock in Trustwave are outstanding due to an option exchange programme where existing options granted under the Trustwave ESOP were exchanged for options granted by Singtel Enterprise Security Pte. Ltd.

5.3.4 Singtel Enterprise Security's share options – equity-settled arrangement

In August 2020, Singtel Enterprise Security Pte. Ltd. ("**SES**"), a wholly-owned subsidiary of the Company, implemented an option exchange programme pursuant to which employees of Trustwave and its subsidiaries who were granted stock options under the Trustwave ESOP were given a one-time opportunity to elect to cancel their outstanding and unexercised stock options under the Trustwave ESOP in exchange for options granted by SES under the Singtel Enterprise Security Pte. Ltd. 2020 Long-Term Incentive Plan ("**SES LTI Plan**") to purchase ordinary shares of SES. Selected employees (including executive directors) and non-executive directors of SES and/or its subsidiaries are granted options to purchase ordinary shares of SES.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of SES on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

5. OPERATING EXPENSES *(Cont'd)*

5.3.4 Singtel Enterprise Security's share options – equity-settled arrangement *(Cont'd)*

The grant date, exercise price and fair value of the stock options were as follows –

Equity-settled **Date of grant**	**Exercise price** **US$**	**Fair value at grant date** **US$**
1 August 2020	7.39	2.84

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 2020 to 31 March 2021,

(a) options in respect of an aggregate of 4.2 million of ordinary shares in SES have been granted to the employees and non-executive directors of SES and/or its subsidiaries.

(b) no ordinary shares of SES were issued during the financial year pursuant to the exercise of options granted under the SES LTI Plan.

As at 31 March 2021, options in respect of an aggregate of 1.9 million of ordinary shares in SES 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**	
	2021 **S$ Mil**	**2020** **S$ Mil**	**2021** **S$ Mil**	**2020** **S$ Mil**
Cost of Singtel shares, net of vesting	**18.3**	26.8	**16.8**	24.6
Cash at bank	**0.3**	0.4	**0.3**	0.4
	18.6	27.2	**17.1**	25.0

5. OPERATING EXPENSES *(Cont'd)*

5.4 Structured Entity *(Cont'd)*

The details of Singtel shares held by the Trust were as follows –

	Number of shares		Amount	
Group	2021 '000	2020 '000	2021 S$ Mil	2020 S$ Mil
Balance as at 1 April	**8,001**	8,231	**26.8**	28.0
Purchase of Singtel shares	**3,941**	4,506	**9.5**	14.8
Vesting of shares	**(5,451)**	(4,736)	**(18.0)**	(16.0)
Balance as at 31 March	**6,491**	8,001	**18.3**	26.8

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	
	2021 S$ Mil	2020 S$ Mil
Operating expenses included the following –		
Auditors' remuneration		
– KPMG LLP, Singapore	**2.3**	2.4
– KPMG, Australia	**1.3**	1.2
– Other KPMG offices	**1.2**	1.2
Non-audit fees paid to		
– KPMG LLP, Singapore	**0.6**	0.5
– KPMG, Australia	**0.1**	0.2
– Other KPMG offices	**0.1**	0.1
Impairment of trade receivables	**155.3**	191.5
Allowance for inventory obsolescence	**12.2**	1.6
Lease expenses for short term leases	**16.8**	27.0

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.

6. OTHER INCOME

Other income included the following items –

	Group	
	2021 S$ Mil	2020 S$ Mil
Rental income	**3.1**	3.2
Net (losses)/ gains on disposal of property, plant and equipment	**(6.1)**	3.6
Net foreign exchange (losses)/ gains	**(4.8)**	5.2

7. DEPRECIATION AND AMORTISATION

	Group	
	2021 S$ Mil	2020 S$ Mil
Depreciation of property, plant and equipment	**1,896.9**	1,825.6
Depreciation of right-of-use assets	**427.4**	403.0
Amortisation of intangible assets	**360.5**	351.7
	2,684.8	2,580.3

8. EXCEPTIONAL ITEMS

	Group	
	2021 S$ Mil	2020 S$ Mil
Exceptional gains		
Gain on dilution of interest in joint ventures	**647.6**	671.6
Gain on disposal of property	**5.8**	96.6
	653.4	768.2
Exceptional losses		
Impairment of goodwill of subsidiaries [1]	**(840.5)**	(194.8)
Impairment of other intangibles [1]	**(84.0)**	(1.9)
Impairment of property, plant and equipment	**(166.9)**	–
Write-off of property, plant and equipment	**(44.5)**	–
Payroll review programme and other charges [2]	**(102.0)**	(20.2)
Staff restructuring costs	**(17.8)**	(50.1)
Impairment of investment in an associate	**(2.0)**	–
Deconsolidation of subsidiary	**–**	(85.5)
	(1,257.7)	(352.5)
	(604.3)	415.7

Notes:

(1) The Group recorded impairment charges to the goodwill and other intangibles of Amobee and Global Cyber Security Business during the current financial year.

(2) Comprised staff payroll adjustments, professional fees as well as remediation of systems and processes by Optus in the current financial year.

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2021 S$ Mil	2020 S$ Mil
Share of ordinary results		
– joint ventures	**1,628.1**	1,553.5
– associates	**170.0**	190.8
	1,798.1	1,744.3
Share of net exceptional losses of associates and joint ventures (post-tax)[(1)(2)(3)]	**(670.2)**	(1,807.9)
Share of tax of ordinary results		
– joint ventures	**(497.4)**	(435.1)
– associates	**(23.8)**	(30.9)
	(521.2)	(466.0)
	606.7	(529.6)

Notes:

(1) Comprised share of exceptional items from Airtel, Telkomsel, Globe and Intouch.

(2) Airtel's exceptional items included additional provisions for regulatory costs on account of the Supreme Court of India's decision on the Adjusted Gross Revenue matter, tax charges from a re-assessment of the carrying amounts of deferred tax balances (including minimum alternate tax credits), asset impairments as well as other provisions partly mitigated by a gain on deemed disposal of a subsidiary. Airtel's exceptional items in the previous financial year included provisions made for regulatory costs arising from an adverse ruling on the definition of Adjusted Gross Revenue and one time spectrum charge.

(3) Telkomsel's exceptional items in the current financial year included mainly a gain from the first phase of its sale of telecommunication towers.

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2021 S$ Mil	Group 2020 S$ Mil
Interest income from		
– bank deposits	**2.2**	6.5
– others	**1.2**	1.2
	3.4	7.7
Dividends from joint ventures	**–**	10.8
Gross dividends and income from FVOCI investments	**13.6**	148.4
	17.0	166.9
Other foreign exchange (losses)/ gains	**(6.8)**	11.2
Other fair value (losses)/ gains	**(5.4)**	1.5
Fair value gains/ (losses) on fair value hedges		
– hedged items	**140.2**	(149.5)
– hedging instruments	**(142.1)**	149.9
	(1.9)	0.4
Fair value gains/ (losses) on cash flow hedges		
– hedged items	**555.0**	(431.8)
– hedging instruments	**(555.0)**	431.8
	–	–
	2.9	180.0

11. FINANCE COSTS

	Group 2021 S$ Mil	Group 2020 S$ Mil
Interest expense on		
– bonds	**289.9**	309.6
– bank loans	**22.5**	51.1
– lease liabilities	**77.9**	81.7
	390.3	442.4
Less: Amounts capitalised	**(0.4)**	–
	389.9	442.4
Financing related costs	**24.4**	16.8
Effects of hedging using interest rate swaps	**(16.2)**	2.6
	398.1	461.8

12. TAXATION

12.1 Tax Expense

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Current income tax		
– Singapore	**142.9**	207.5
– Overseas	**(48.5)**	110.5
	94.4	318.0
Deferred tax (credit)/ expense	**(49.7)**	47.0
Tax expense attributable to current year's profit	**44.7**	365.0
Adjustments in respect of prior years –		
Current income tax	**(24.6)**	9.5
Deferred income tax	**28.3**	(10.7)
Withholding taxes on dividend income from associates and joint ventures	**145.7**	149.4
	194.1	513.2

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	
	2021 S$ Mil	**2020 S$ Mil**
Profit before tax	**754.0**	1,565.4
Less: Share of results of associates and joint ventures	**(606.7)**	529.6
	147.3	2,095.0
Tax calculated at tax rate of 17 per cent (2020: 17 per cent)	**25.0**	356.2
Effects of –		
Different tax rates of other countries	**(106.0)**	3.8
Income not subject to tax	**(140.0)**	(159.2)
Expenses not deductible for tax purposes	**216.3**	84.5
Deferred tax asset not recognised	**59.4**	82.9
Others	**(10.0)**	(3.2)
Tax expense attributable to current year's profit	**44.7**	365.0

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 – 2021 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 2020	30.2	21.9	301.2	353.3
(Charged)/ Credited to income statement	(19.0)	(34.3)	73.1	19.8
Credited to other comprehensive income	–	–	7.5	7.5
Transfer from/ (to) current tax	31.0	–	(2.1)	28.9
Translation differences	4.3	3.7	15.3	23.3
Balance as at 31 March 2021	46.5	(8.7)	395.0	432.8

Group – 2021 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 2020	(485.3)	(5.3)	(154.0)	(644.6)
(Charged)/ Credited to income statement	(23.6)	(0.1)	22.3	(1.4)
Transfer to current tax	–	–	10.5	10.5
Translation differences	0.5	–	5.4	5.9
Balance as at 31 March 2021	(508.4)	(5.4)	(115.8)	(629.6)

12. TAXATION *(Cont'd)*

12.2 Deferred Taxes *(Cont'd)*

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	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	(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)

Company – 2021 Deferred tax assets	Provisions S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2020	**0.4**	**122.1**	**122.5**
Credited/ (Charged) to income statement	**0.2**	**(11.8)**	**(11.6)**
Balance as at 31 March 2021	**0.6**	**110.3**	**110.9**

Company – 2021 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2020	**(309.4)**	**(88.6)**	**(398.0)**
(Charged)/ Credited to income statement	**(22.9)**	**9.0**	**(13.9)**
Balance as at 31 March 2021	**(332.3)**	**(79.6)**	**(411.9)**

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	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	(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)

Notes:
(1) TWDV – Tax written down value
(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, were shown in the statements of financial position as follows –

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Deferred tax assets	**302.1**	234.2	**–**	–
Deferred tax liabilities	**(498.9)**	(525.5)	**(301.0)**	(275.5)
	(196.8)	(291.3)	**(301.0)**	(275.5)

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 2021, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$1.73 billion (31 March 2020: S$1.61 billion), of which S$103 million (31 March 2020: S$81 million) will expire in the next five years and S$871 million (31 March 2020: S$952 million) will expire from 2026 to 2040.

As at 31 March 2021, the subsidiaries of the Group also had estimated unutilised investment allowances of S$41 million (31 March 2020: S$43 million) and unutilised capital tax losses of S$65 million (31 March 2020: S$57 million).

12. TAXATION *(Cont'd)*

12.2 Deferred Taxes *(Cont'd)*

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	
	2021 **S$ Mil**	**2020** **S$ Mil**
Unutilised income tax losses and investment allowances	**1,774.1**	1,653.8
Unutilised capital tax losses	**65.0**	56.5

13. EARNINGS PER SHARE

	Group	
	2021 **'000**	**2020** **'000**
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [(1)]	**16,361,860**	16,322,412
Adjustment for dilutive effects of performance share plans	**24,666**	26,816
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,386,526**	16,349,228

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.

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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	
	2021 S$ Mil	**2020 S$ Mil**
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**90.2**	86.8
Rental and maintenance	*	30.2
Associates		
Telecommunications	**3.7**	5.7
Joint ventures		
Telecommunications	**11.4**	38.1
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**40.9**	40.8
Utilities	**66.8**	89.8
Depreciation of right-of-use assets	**53.9**	34.5
Interest expense on lease liabiltiies	**9.0**	10.2
Associates		
Telecommunications	**130.6**	130.7
Postal	**10.0**	6.7
Maintenance	**7.6**	8.0
Joint ventures		
Telecommunications	**7.3**	9.7
Transmission capacity	**22.7**	7.9
Others		
Subsidiaries of ultimate holding company		
Right-of-use assets	**148.0**	201.2
Lease liabilities	**242.9**	278.4
Associates		
Investment in associate	**6.3**	–
Due from subsidiaries of ultimate holding company	**24.0**	18.3
Due to subsidiaries of ultimate holding company	**8.9**	10.7

"" denotes amount of less than S$0.05 million.*

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.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Fixed deposits	**155.6**	152.0	**48.2**	65.7
Cash and bank balances	**599.1**	847.6	**78.0**	31.6
Cash and cash equivalents in the Statement of Financial Position	**754.7**	999.6	**126.2**	97.3
Less: Restricted cash	**(14.2)**	(9.8)	**(0.2)**	(0.6)
Cash and cash equivalents in the Consolidated Statement of Cash Flows	**740.5**	989.8	**126.0**	96.7

Cash and cash equivalents in the Consolidated Statement of Financial Position included restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
USD	**138.5**	131.0	**67.1**	69.8
EUR	**37.4**	15.1	**9.6**	5.7
HKD	**24.4**	21.8	**2.9**	1.8

The maturities of the fixed deposits were as follows –

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Less than three months	**136.3**	137.2	**48.2**	65.7
Over three months	**19.3**	14.8	**–**	–
	155.6	152.0	**48.2**	65.7

As at 31 March 2021, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 0.2% (31 March 2020: 0.8%) per annum and 0.06% (31 March 2020: 0.5%) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 37.3**.

16. TRADE AND OTHER RECEIVABLES

Current	Group 31 March 2021 S$ Mil	Group 31 March 2020 S$ Mil	Company 31 March 2021 S$ Mil	Company 31 March 2020 S$ Mil
Trade receivables	**1,919.9**	2,126.2	**335.1**	423.1
Contract assets	**2,690.0**	2,555.6	**13.5**	16.9
	4,609.9	4,681.8	**348.6**	440.0
Less: Allowance for ECL	**(290.6)**	(310.8)	**(92.3)**	(93.5)
	4,319.3	4,371.0	**256.3**	346.5
Other receivables	**302.0**	399.7	**32.0**	34.3
Loans to subsidiaries	**–**	–	**112.6**	116.1
Amount due from subsidiaries				
– trade	**–**	–	**934.3**	879.1
– non-trade	**–**	–	**811.5**	691.3
Less: Allowance for ECL	**–**	–	**(46.2)**	(70.1)
	–	–	**1,699.6**	1,500.3
Amount due from associates and joint ventures				
– trade	**10.8**	17.2	**1.7**	1.7
– non-trade	**144.4**	142.3	**–**	2.4
	155.2	159.5	**1.7**	4.1
Prepayments	**610.1**	545.8	**44.8**	46.5
Interest receivable	**43.4**	66.0	**16.5**	17.5
Others	**13.7**	17.4	**–**	–
	5,443.7	5,559.4	**2,163.5**	2,065.3

"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 2021, the effective interest rate of an amount due from a subsidiary of S$216.2 million (31 March 2020: S$387.1 million) was 0.0001% (31 March 2020: 0.004%) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Less than 60 days	**4,214.7**	4,189.7	**232.8**	292.3
61 to 120 days	**134.9**	144.2	**29.8**	38.9
More than 120 days	**260.3**	347.9	**86.0**	108.8
	4,609.9	4,681.8	**348.6**	440.0

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows –

	Group		Company	
	2021 S$ Mil	2020 S$ Mil	2021 S$ Mil	2020 S$ Mil
Balance as at 1 April	**310.8**	259.7	**93.5**	94.3
Acquisition of a subsidiary	**0.3**	–	**–**	–
Allowance	**181.4**	203.8	**32.4**	27.0
Utilisation of allowance	**(212.4)**	(120.9)	**(26.8)**	(26.9)
Write-back of allowance	**(26.1)**	(12.3)	**(6.8)**	(0.9)
Translation differences	**36.6**	(19.5)	**–**	–
Balance as at 31 March	**290.6**	310.8	**92.3**	93.5

The maximum exposure to credit risk for trade receivables and contract assets were as follows –

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Individuals	**2,289.6**	2,195.9	**93.6**	114.5
Corporations and others	**2,029.7**	2,175.1	**162.7**	232.0
	4,319.3	4,371.0	**256.3**	346.5

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.

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17. INVENTORIES

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Equipment held for resale	**238.8**	251.9	**4.4**	0.2
Maintenance and capital works' inventories	**32.8**	27.7	**31.2**	26.1
	271.6	279.6	**35.6**	26.3

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2021 S$ Mil	2020 S$ Mil	2021 S$ Mil	2020 S$ Mil
Balance as at 1 April	**717.8**	280.0	**94.4**	(65.7)
Fair value (losses)/ gains				
– included in income statement	**(696.0)**	585.8	**(143.6)**	155.6
– included in 'Hedging Reserve'	**(163.7)**	60.8	**(26.7)**	4.5
Settlement of swaps for bonds repaid	**(196.8)**	(173.9)	**–**	–
Translation differences	**56.8**	(34.9)	**–**	–
Balance as at 31 March	**(281.9)**	717.8	**(75.9)**	94.4

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Disclosed as –				
Current asset	**62.2**	337.2	**1.2**	5.3
Non-current asset	**23.9**	517.5	**3.7**	134.2
Current liability	**(29.5)**	(14.0)	**(4.1)**	–
Non-current liability	**(338.5)**	(122.9)	**(76.7)**	(45.1)
	(281.9)	717.8	**(75.9)**	94.4

18. DERIVATIVE FINANCIAL INSTRUMENTS *(Cont'd)*

18.1 Fair Values

The fair values of the currency and interest rate swap contracts excluded accrued interest of S$6.0 million (31 March 2020: S$10.6 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	
2021	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	**70.9**	**270.6**	**3.7**	**54.3**
Interest rate swaps	**5.9**	**41.6**	**–**	**22.2**
Forward foreign exchange contracts	**9.3**	**55.8**	**1.2**	**4.3**
	86.1	**368.0**	**4.9**	**80.8**
Disclosed as –				
Current	**62.2**	**29.5**	**1.2**	**4.1**
Non-current	**23.9**	**338.5**	**3.7**	**76.7**
	86.1	**368.0**	**4.9**	**80.8**

	Group		Company	
	Fair values		Fair values	
2020	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities 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

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

18. DERIVATIVE FINANCIAL INSTRUMENTS *(Cont'd)*

18.1 Fair Values *(Cont'd)*

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2022, 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 2021, the details of the outstanding derivative financial instruments were as follows –

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest rate swaps				
Notional principal (S$ million equivalent)	**3,220.1**	3,832.4	**703.4**	703.4
Fixed interest rates	**1.6% – 5.4%**	1.6% – 5.4%	**1.9% – 3.9%**	1.9% – 3.9%
Floating interest rates	**0.1% – 1.1%**	0.2% – 1.9%	**–**	–
Cross currency swaps				
Notional principal (S$ million equivalent)	**6,977.2**	5,891.5	**672.1**	712.7
Fixed interest rates	**1.8% – 5.2%**	2.6% – 7.5%	**5.2%**	5.2%
Floating interest rates	**0.7% – 2.2%**	1.3% – 3.5%	**1.7% – 2.2%**	3.0% – 3.5%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**2,340.4**	604.6	**1,130.5**	242.2

The interest rate swaps entered into by the Group are re-priced at intervals ranging from quarterly to six-monthly periods. The interest rate swaps entered into by the Company are re-priced every six months.

19. PROPERTY, PLANT AND EQUIPMENT

Group – 2021	Freehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost							
Balance as at 1 April 2020	19.7	883.5	19,733.0	2,676.1	6,516.7	1,561.9	31,390.9
Additions (net of rebates)	–	0.5	62.2	21.1	77.8	1,948.7	2,110.3
Disposals/ Write-offs	–	(21.5)	(1,270.9)	(244.4)	(717.0)	–	(2,253.8)
Acquisition of a subsidiary	–	–	–	–	2.6	–	2.6
Reclassifications/ Adjustments	–	*	989.0	609.6	392.4	(2,020.4)	(29.4)
Translation differences	3.3	46.3	2,551.8	223.3	512.5	125.3	3,462.5
Balance as at 31 March 2021	23.0	908.8	22,065.1	3,285.7	6,785.0	1,615.5	34,683.1
Accumulated depreciation							
Balance as at 1 April 2020	–	416.1	13,905.4	1,839.8	4,841.0	–	21,002.3
Depreciation charge for the year	–	54.3	1,035.7	112.7	694.2	–	1,896.9
Disposals/ Write-offs	–	(21.2)	(1,221.2)	(244.4)	(714.7)	–	(2,201.5)
Reclassifications/ Adjustments	–	(4.7)	–	–	(15.3)	–	(20.0)
Translation differences	–	6.0	1,772.1	92.6	408.6	–	2,279.3
Balance as at 31 March 2021	–	450.5	15,492.0	1,800.7	5,213.8	–	22,957.0
Accumulated impairment							
Balance as at 1 April 2020	–	0.4	5.4	0.3	18.7	–	24.8
Impairment charge for the year	–	–	146.3	–	–	20.6	166.9
Translation differences	–	–	(1.5)	–	1.8	–	0.3
Balance as at 31 March 2021	–	0.4	150.2	0.3	20.5	20.6	192.0
Net Book Value as at 31 March 2021	23.0	457.9	6,422.9	1,484.7	1,550.7	1,594.9	11,534.1

"" denotes amount of less than S$0.05 million.*

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group – 2020	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 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

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2021	Freehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost							
Balance as at 1 April 2020	0.4	521.1	3,181.7	561.6	2,109.1	610.2	6,984.1
Additions (net of rebates)	–	0.1	35.4	4.3	21.0	370.1	430.9
Disposals/ Write-offs	–	(2.9)	(118.6)	(6.2)	(14.1)	–	(141.8)
Reclassifications	–	4.0	75.1	47.3	258.3	(384.7)	–
Balance as at 31 March 2021	0.4	522.3	3,173.6	607.0	2,374.3	595.6	7,273.2
Accumulated depreciation							
Balance as at 1 April 2020	–	323.1	2,478.9	496.1	1,475.8	–	4,773.9
Depreciation charge for the year	–	16.7	101.2	34.8	186.6	–	339.3
Disposals/ Write-offs	–	(2.8)	(111.6)	(6.2)	(13.8)	–	(134.4)
Balance as at 31 March 2021	–	337.0	2,468.5	524.7	1,648.6	–	4,978.8
Accumulated impairment							
Balance as at 1 April 2020	–	0.3	4.1	–	–	–	4.4
Impairment charge of the year	–	–	7.3	–	–	–	7.3
Balance as at 31 March 2021	–	0.3	11.4	–	–	–	11.7
Net Book Value as at 31 March 2021	0.4	185.0	693.7	82.3	725.7	595.6	2,282.7

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2020	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 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

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Property, plant and equipment included the following –

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Net book value of property, plant and equipment				
Staff costs capitalised	**210.3**	200.2	**36.2**	31.4

During the financial year, the Group recorded impairment charges of S$167 million (2020: Nil) mainly for legacy fixed access networks that will no longer be used in Australia.

20. RIGHT-OF-USE ASSETS

Group – 2021	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 2020	**1,496.1**	**798.7**	**528.4**	**10.4**	**2,833.6**
Additions (net of rebates)	**131.5**	**80.5**	**10.9**	**2.5**	**225.4**
Disposals/ Write-offs	**(23.4)**	**(5.0)**	**–**	**(0.4)**	**(28.8)**
Acquisition of a subsidiary	**–**	**0.2**	**–**	**–**	**0.2**
Reclassifications/ Adjustments	**–**	**22.4**	**–**	**–**	**22.4**
Translation differences	**246.0**	**8.1**	**(3.5)**	**1.6**	**252.2**
Balance as at 31 March 2021	**1,850.2**	**904.9**	**535.8**	**14.1**	**3,305.0**
Accumulated depreciation					
Balance as at 1 April 2020	**254.2**	**319.5**	**195.4**	**4.0**	**773.1**
Depreciation charge for the year	**279.8**	**107.8**	**35.2**	**4.6**	**427.4**
Disposals/ Write-offs	**(22.7)**	**(5.0)**	**–**	**(0.3)**	**(28.0)**
Reclassifications/ Adjustments	**–**	**19.6**	**–**	**–**	**19.6**
Translation differences	**52.6**	**4.8**	**(1.0)**	**0.8**	**57.2**
Balance as at 31 March 2021	**563.9**	**446.7**	**229.6**	**9.1**	**1,249.3**
Net Book Value as at 31 March 2021	**1,286.3**	**458.2**	**306.2**	**5.0**	**2,055.7**

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20. RIGHT-OF-USE ASSETS *(Cont'd)*

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

Company – 2021	Central offices S$ Mil	Other properties S$ Mil	Equipment S$ Mil	Others S$ Mil	Total S$ Mil
Cost					
Balance as at 1 April 2020	**18.9**	**571.5**	**465.7**	**0.5**	**1,056.6**
Additions (net of rebates)	**3.8**	**–**	**0.7**	**–**	**4.5**
Balance as at 31 March 2021	**22.7**	**571.5**	**466.4**	**0.5**	**1,061.1**
Accumulated depreciation					
Balance as at 1 April 2020	**9.4**	**243.6**	**179.9**	**0.2**	**433.1**
Depreciation charge for the year	**6.4**	**32.6**	**19.8**	**0.1**	**58.9**
Balance as at 31 March 2021	**15.8**	**276.2**	**199.7**	**0.3**	**492.0**
Net book value as at 31 March 2021	**6.9**	**295.3**	**266.7**	**0.2**	**569.1**

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 2021 S$ Mil	31 March 2020 S$ Mil
Goodwill on acquisition of subsidiaries	**10,767.2**	11,429.9
Telecommunications and spectrum licences	**2,220.0**	2,024.7
Technology and brand	**3.4**	143.9
Customer relationships and others	**138.5**	137.4
	13,129.1	13,735.9

21. INTANGIBLE ASSETS *(Cont'd)*

21.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Balance as at 1 April	**11,429.9**	11,538.3
Acquisition of subsidiaries	**264.8**	–
Impairment charge for the year (see **Note 25**)	**(840.5)**	(194.8)
Translation differences	**(87.0)**	86.4
Balance as at 31 March	**10,767.2**	11,429.9
Cost	**11,798.5**	11,632.3
Accumulated impairment	**(1,031.3)**	(202.4)
Net book value as at 31 March	**10,767.2**	11,429.9

21.2 Telecommunications and Spectrum Licences

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Balance as at 1 April	**2,024.7**	2,116.2
Additions	**157.2**	286.1
Amortisation for the year	**(235.2)**	(205.9)
Translation differences	**273.3**	(171.7)
Balance as at 31 March	**2,220.0**	2,024.7
Cost	**4,281.1**	3,610.0
Accumulated amortisation	**(2,054.9)**	(1,579.1)
Accumulated impairment	**(6.2)**	(6.2)
Net book value as at 31 March	**2,220.0**	2,024.7

21. INTANGIBLE ASSETS *(Cont'd)*

21.3 Technology and Brand

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Balance as at 1 April	**143.9**	183.9
Acquisition of a subsidiary	**3.7**	–
Amortisation for the year	**(47.3)**	(47.8)
Impairment charge for the year (see **Note 8**)	**(84.0)**	–
Translation differences	**(12.9)**	7.8
Balance as at 31 March	**3.4**	143.9
Cost	**611.0**	618.6
Accumulated amortisation	**(430.4)**	(382.0)
Accumulated impairment	**(177.2)**	(92.7)
Net book value as at 31 March	**3.4**	143.9

21.4 Customer Relationships and Others

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Balance as at 1 April	**137.4**	178.3
Additions	**76.5**	72.6
Amortisation for the year	**(78.0)**	(98.0)
Impairment charge for the year	**–**	(1.9)
Disposals	**–**	(21.7)
Reclassification/ Adjustment	**4.3**	–
Translation differences	**(1.7)**	8.1
Balance as at 31 March	**138.5**	137.4
Cost	**579.4**	491.6
Accumulated amortisation	**(439.0)**	(352.3)
Accumulated impairment	**(1.9)**	(1.9)
Net book value as at 31 March	**138.5**	137.4

22. SUBSIDIARIES

	Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Unquoted equity shares, at cost	**16,225.5**	15,036.1
Shareholders' advances	**5,733.0**	5,733.0
Deemed investment in a subsidiary	**32.5**	32.5
	21,991.0	20,801.6
Less: Allowance for impairment losses	**(2,591.1)**	(1,122.4)
	19,399.9	19,679.2

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**.

23. JOINT VENTURES

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Quoted equity shares, at cost	**3,533.4**	3,533.4	**–**	–
Unquoted equity shares, at cost	**5,791.5**	5,791.5	**22.8**	22.8
	9,324.9	9,324.9	**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)	**7,494.8**	8,012.8	**–**	–
Translation differences	**(4,535.9)**	(4,444.1)	**–**	–
	1,733.0	2,342.8	**–**	–
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**–**	–
	11,027.9	11,637.7	**22.8**	22.8

23. JOINT VENTURES *(Cont'd)*

As at 31 March 2021,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$24.97 billion (31 March 2020: S$24.55 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$3.77 billion (31 March 2020: S$2.45 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 2020: 50%) in the assets, with access to the shared network and shares 50% (31 March 2020: 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$1.01 billion (31 March 2020: S$1.08 billion).

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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 – 2021	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	18,513.3	8,095.5	4,524.7	7,743.5
Depreciation and amortisation	(5,410.4)	(1,909.4)	(1,002.9)	(2,281.5)
Interest income	115.4	33.0	3.8	12.0
Interest expense	(2,939.6)	(173.2)	(204.5)	(254.2)
Income tax expense	(1,588.4)	(614.6)	(166.3)	(230.1)
(Loss)/ Profit after tax from continuing operations	(4,719.1)	2,402.8	540.3	1,202.4
Profit after tax from discontinued operations	1,942.4	–	–	–
Other comprehensive (loss)/ income	(103.3)	(172.9)	(42.3)	5.6
Total comprehensive (loss)/ income	(2,880.0)	2,229.9	498.0	1,208.0
Statement of financial position				
Current assets	10,049.4	2,359.4	1,670.0	1,820.0
Non-current assets	53,514.1	7,541.9	8,095.4	13,800.2
Current liabilities	(20,532.2)	(2,898.9)	(2,205.0)	(4,564.1)
Non-current liabilities	(28,263.1)	(2,076.2)	(5,127.9)	(7,978.9)
Net assets	14,768.2	4,926.2	2,432.5	3,077.2
Less: Non-controlling interests	(4,080.2)	*	(7.1)	(5.4)
Net assets attributable to equity holders	10,688.0	4,926.2	2,425.4	3,071.8
Proportion of the Group's ownership	31.7%	35.0%	47.0%	23.3%[1]
Group's share of net assets	3,390.2	1,724.2	1,138.7	716.4
Goodwill capitalised	1,148.6	1,403.6	379.7	309.9
Others[2]	869.6	–	(137.9)	(16.9)
Carrying amount of the investment	5,408.4	3,127.8	1,380.5	1,009.4
Other items				
Cash and cash equivalents	2,471.6	1,504.4	400.8	762.3
Non-current financial liabilities excluding trade and other payables	(27,298.2)	(1,564.6)	(4,702.5)	(5,346.9)
Current financial liabilities excluding trade and other payables	(4,996.3)	(936.1)	(140.5)	(1,192.8)
Group's share of market value	16,540.2	NA	3,258.7	5,166.1
Dividends received during the year	28.4	859.1	187.0	208.5

"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).

23. JOINT VENTURES *(Cont'd)*

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).

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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	
	2021 S$ Mil	**2020 S$ Mil**
Share of profit after tax	**5.3**	9.8
Share of other comprehensive income	**1.0**	1.0
Share of total comprehensive income	**6.3**	10.8
Aggregate carrying value	**101.8**	101.6

24. ASSOCIATES

	Group		Company	
	31 March 2021 S$ Mil	**31 March 2020 S$ Mil**	**31 March 2021 S$ Mil**	**31 March 2020 S$ Mil**
Quoted equity shares, at cost	**1,739.7**	1,733.4	**24.7**	24.7
Unquoted equity shares, at cost	**87.9**	88.7	**–**	–
	1,827.6	1,822.1	**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)	**74.4**	79.5	**–**	–
Translation differences	**148.0**	179.1	**–**	–
	251.8	288.0	**–**	–
Less: Allowance for impairment losses	**(7.0)**	(5.0)	**–**	–
Reclassification to 'Net deferred gain' (see **Note 32**)	**(16.6)**	(31.0)	**–**	–
	2,055.8	2,074.1	**24.7**	24.7

24. ASSOCIATES *(Cont'd)*

As at 31 March 2021,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$2.96 billion (31 March 2020: S$2.68 billion) and S$345.8 million (31 March 2020: S$318.6 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$181.9 million (31 March 2020: S$257.4 million).

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	2021 S$ Mil	2020 S$ Mil
Statement of comprehensive income		
Revenue	**152.3**	200.7
Profit after tax	**482.0**	468.4
Other comprehensive (loss)/ income	**(0.5)**	5.7
Total comprehensive income	**481.5**	474.1
Statement of financial position		
Current assets	**757.0**	712.0
Non-current assets	**1,618.8**	1,588.6
Current liabilities	**(468.8)**	(388.0)
Non-current liabilities	**(81.5)**	(198.8)
Net assets	**1,825.5**	1,713.8
Less: Non-controlling interests	**(258.1)**	(257.4)
Net assets attributable to equity holders	**1,567.4**	1,456.4
Proportion of the Group's ownership	**21.1%**	21.0%
Group's share of net assets	**330.4**	305.9
Goodwill and other identifiable intangible assets	**1,455.4**	1,465.6
Others [(1)]	**(94.3)**	(73.0)
Carrying amount of the investment	**1,691.5**	1,698.5
Other items		
Group's share of market value	**1,683.4**	1,461.3
Dividends received during the year	**73.0**	73.3

Note:
(1) 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 2021

24. ASSOCIATES *(Cont'd)*

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2021 S$ Mil	**2020 S$ Mil**
Share of profit after tax	**49.5**	57.7
Share of other comprehensive income/ (loss)	**4.3**	(3.1)
Share of total comprehensive income	**53.8**	54.6

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 2021 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 ten years for Amobee and the Global Cyber Security Business, and 7 years for Optus to better reflect the longer time period for investment returns. 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.

25. IMPAIRMENT REVIEWS *(Cont'd)*

The details are shown in the table below:

Group	31 March 2021 S$ Mil	31 March 2020 S$ Mil	Terminal growth rate [1] 31 March 2021	Terminal growth rate [1] 31 March 2020	Pre-tax discount rate 31 March 2021	Pre-tax discount rate 31 March 2020
Carrying value of goodwill in –						
Optus Group	**9,548.6**	9,259.5	**2.5%**	3.0%	**5.9%**	7.1%
Global Cyber Security Business [2]	**728.5**	1,097.4	**3.5%**	3.5%	**11.7%**	11.4%
Amobee, Inc. ("**Amobee**")	**407.9**	990.8	**3.0%**	3.0%	**13.6%**	13.7%
SCS Computer Systems Pte. Ltd. ("**SCS**")	**82.2**	82.2	**2.0%**	2.0%	**6.1%**	7.0%

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 2021, the recoverable values of Amobee and Global Cyber Security Business were assessed to be below their carrying values. Consequently, the Group recorded non-cash impairment charges of S$532 million (US$395 million) and S$309 million (US$230 million) to the goodwill of Amobee and Global Cyber Security Business respectively. The ongoing industry and operational challenges and COVID-19 pandemic have resulted in underperformance of the business plans and impacted the recoverable values of these businesses. The impairment charges were based on the Group's best estimates. Following the impairment charges, the recoverable amounts of goodwill were equal to the carrying amounts. No impairment charge was required for the goodwill arising from acquisition of Optus Group and SCS.

In the previous financial year, an impairment charge of S$195 million was recognised for the goodwill of Amobee.

26. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") INVESTMENTS

	Group		Company	
	2021 S$ Mil	2020 S$ Mil	2021 S$ Mil	2020 S$ Mil
Balance as at 1 April	**515.0**	646.9	**4.0**	5.3
Additions	**20.4**	87.5	**–**	–
Disposals/ Write-offs	**(12.5)**	(34.5)	**–**	–
Net fair value gains/ (losses) included in 'Other Comprehensive Income'	**132.9**	(184.9)	**(0.7)**	(1.3)
Translation differences	**(4.9)**	*	**–**	–
Balance as at 31 March	**650.9**	515.0	**3.3**	4.0

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Cost	**720.9**	718.5	**3.3**	3.3
Cumulative fair value changes	**(70.0)**	(203.5)	*****	0.7
	650.9	515.0	**3.3**	4.0

"" denotes amount of less than S$0.05 million.*

FVOCI investments included the following –

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Quoted equity securities				
– Africa	**305.7**	150.2	**–**	–
– Singapore	**3.3**	4.0	**3.3**	4.0
– United States of America	**0.3**	4.2	**–**	–
	309.3	158.4	**3.3**	4.0
Unquoted				
Equity securities	**324.7**	334.5	**–**	–
Others	**16.9**	22.1	**–**	–
	341.6	356.6	**–**	–
	650.9	515.0	**3.3**	4.0

27. OTHER ASSETS

	Group		Company	
Non-current	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Capitalised contract costs (net)	**372.6**	319.5	*	*
Prepayments	**125.5**	129.3	**88.3**	105.7
Tax recoverable from ATO [1]	**137.0**	117.2	–	–
Other receivables	**51.6**	74.4	–	–
	686.7	640.4	**88.3**	105.7

Note:

[1] The Group paid A$134 million to the Australian Taxation Office ("**ATO**") for amended tax assessments received in respect of the acquisition financing of Optus in November 2016. 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	
	2021 S$ Mil	2020 S$ Mil	2021 S$ Mil	2020 S$ Mil
Balance as at 1 April	**319.5**	273.4	*	0.1
Contract costs incurred	**322.0**	293.8	–	–
Amortisation to operating expenses	**(147.7)**	(85.4)	*	(0.1)
Amortisation to mobile service revenue	**(132.8)**	(150.2)	–	–
Translation differences	**11.6**	(12.1)	–	–
Balance as at 31 March	**372.6**	319.5	*	*

"" denotes amount of less than S$0.05 million.*

28. TRADE AND OTHER PAYABLES

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Trade payables	**4,731.2**	4,407.1	**600.0**	705.7
Accruals	**859.7**	813.7	**202.5**	207.4
Interest payable on borrowings and swaps	**93.7**	118.6	**28.3**	29.4
Contract liabilities (handset sales)	**48.3**	69.2	**–**	–
Deferred income	**32.8**	31.6	**4.9**	4.0
Customers' deposits	**23.6**	24.5	**12.8**	17.2
Due to associates and joint ventures				
– trade	**28.6**	23.3	**23.8**	14.9
– non-trade	**0.1**	0.1	**–**	–
	28.7	23.4	**23.8**	14.9
Due to subsidiaries				
– trade	**–**	–	**645.2**	196.2
– non-trade	**–**	–	**827.1**	1,201.8
	–	–	**1,472.3**	1,398.0
Other payables	**158.8**	152.8	**44.1**	40.5
	5,976.8	5,640.9	**2,388.7**	2,417.1

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 364 days and suppliers have in place facilities from third parties so as to extend such longer credit terms to the Group.

The interest payable on borrowings and swaps are mainly settled on a quarterly or half-yearly basis.

The amounts due to subsidiaries are unsecured, repayable on demand and interest-free.

29. BORROWINGS (UNSECURED)

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Current				
Bonds	**956.2**	2,033.4	**–**	–
Bank loans	**656.1**	1,554.8	**–**	–
	1,612.3	3,588.2	**–**	–
Non-current				
Bonds	**8,042.0**	7,323.1	**799.4**	942.5
Bank loans	**1,000.4**	1,060.9	**–**	–
	9,042.4	8,384.0	**799.4**	942.5
Total unsecured borrowings	**10,654.7**	11,972.2	**799.4**	942.5

29. BORROWINGS (UNSECURED) *(Cont'd)*

29.1 Bonds

	Group		Company	
Principal amount	**31 March 2021 S$ Mil**	**31 March 2020 S$ Mil**	**31 March 2021 S$ Mil**	**31 March 2020 S$ Mil**
US$3,600 million [1] (31 March 2020: US$2,850 million)	**4,813.0**	4,040.7	**–**	–
US$500 million [1]	**799.4**	942.5	**799.4**	942.5
€500 million [1][2] (31 March 2020: €1,200 million)	**796.4**	1,885.4	**–**	–
A$2,000 million [2] (31 March 2020: A$1,150 million)	**2,039.5**	1,004.0	**–**	–
S$600 million [1]	**–**	600.0	**–**	–
S$400 million (31 March 2020: S$550 million)	**400.0**	549.9	**–**	–
S$150 million [2]	**149.9**	150.0	**–**	–
HK$1,000 million [2]	**–**	184.0	**–**	–
	8,998.2	9,356.5	**799.4**	942.5
Classified as –				
Current	**956.2**	2,033.4	**–**	–
Non-current	**8,042.0**	7,323.1	**799.4**	942.5
	8,998.2	9,356.5	**799.4**	942.5

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 2021 S$ Mil	**31 March 2020 S$ Mil**
Current	**656.1**	1,554.8
Non-current	**1,000.4**	1,060.9
	1,656.5	2,615.7

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Between 1 and 5 years	**3,600.7**	3,468.8	**–**	–
Over 5 years	**5,441.7**	4,915.2	**799.4**	942.5
	9,042.4	8,384.0	**799.4**	942.5

29.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows –

	Group		Company	
	31 March 2021 %	31 March 2020 %	31 March 2021 %	31 March 2020 %
Bonds (fixed rate)	**3.1**	3.4	**7.4**	7.4
Bank loans (floating rate)	**0.7**	1.1	**–**	–

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 2021			
Net-settled interest rate swaps	**33.1**	**83.5**	**56.8**
Cross currency interest rate swaps (gross-settled)			
– Inflow	**(148.9)**	**(566.8)**	**(578.8)**
– Outflow	**116.3**	**455.1**	**438.7**
	0.5	**(28.2)**	**(83.3)**
Borrowings	**1,820.5**	**4,386.4**	**6,319.9**
	1,821.0	**4,358.2**	**6,236.6**
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

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 2021			
Net-settled interest rate swaps	**13.0**	**13.0**	**11.2**
Cross currency interest rate swaps (gross-settled)			
– Inflow	**(49.6)**	**(198.3)**	**(297.4)**
– Outflow	**22.8**	**91.2**	**136.7**
	(13.8)	**(94.1)**	**(149.5)**
Borrowings	**49.6**	**198.3**	**1,178.7**
	35.8	**104.2**	**1,029.2**
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

30. BORROWINGS (SECURED)

	Group		Company	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Current				
Lease liabilities	**421.6**	382.3	**60.6**	63.2
Non-current				
Lease liabilities	**1,783.2**	1,818.1	**524.0**	581.2
Total secured borrowings	**2,204.8**	2,200.4	**584.6**	644.4

Secured borrowings were lease liabilities in respect of right-of-use assets.

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Between 1 and 5 years	**975.6**	956.4	**210.9**	236.6
Over 5 years	**807.6**	861.7	**313.1**	344.6
	1,783.2	1,818.1	**524.0**	581.2

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 2021			
Lease liabilties	**485.3**	**1,148.7**	**879.8**
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 2021			
Lease liabilties	**82.4**	**277.2**	**329.6**
As at 31 March 2020			
Lease liabilities	87.2	310.8	421.9

31. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Group – 2021	Bonds S$ Mil	Bank loans S$ Mil	Lease liabilities S$ Mil	Interest payable S$ Mil	Derivative financial instruments S$ Mil
As at 1 April 2020	9,356.5	2,615.7	2,200.4	118.6	(717.8)
Financing cash flows [1]	(196.2)	(1,067.3)	(429.3)	(392.5)	196.8
Non-cash changes:					
Fair value adjustments	(139.9)	–	–	–	323.5
Amortisation of bond discount	10.2	–	–	–	–
Foreign exchange movements	(32.4)	108.1	199.5	8.3	479.4
Additions of lease liabilities	–	–	234.2	–	–
Interest expense	–	–	–	386.0	–
Adjustments/ Reclassification	–	–	–	(26.7)	–
	(162.1)	108.1	433.7	367.6	802.9
As at 31 March 2021	8,998.2	1,656.5	2,204.8	93.7	281.9

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 amount of less than S$0.05 million.*

Note:

[1] The cash flows comprised 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.

32. NET DEFERRED GAIN

	Group	
	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Unamortised deferred gain	**404.8**	425.5
Reclassification from 'Associates' (see **Note 24**)	**(16.6)**	(31.0)
Net deferred gain	**388.2**	394.5
Classified as –		
Current	**20.8**	20.8
Non-current	**367.4**	373.7
	388.2	394.5

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Performance share liability	**6.4**	6.8	**6.4**	6.8
Other payables	**165.6**	141.5	**16.2**	11.9
	172.0	148.3	**22.6**	18.7

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

34. SHARE CAPITAL

Group and Company	Number of shares 2021 Mil	Number of shares 2020 Mil	Share capital 2021 S$ Mil	Share capital 2020 S$ Mil
Balance as at 1 April	**16,329.1**	16,329.1	**4,127.3**	4,127.3
Shares issued under the Singtel Scrip Dividend Scheme [1]	**185.5**	–	**446.2**	–
Balance as at 31 March	**16,514.6**	16,329.1	**4,573.5**	4,127.3

Note:
(1) Share capital amount is net of issuance costs.

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. On 11 November 2020, the Directors approved the adoption of the Singtel Scrip Dividend Scheme ("**Scheme**") and the application of the Scheme to the interim dividend. On 15 January 2021, Singtel issued 185.5 million new ordinary shares to shareholders who had elected to participate in this Scheme in respect of the interim dividend for the current financial year ended 31 March 2021.

Capital Management

The Group is committed to an optimal capital structure, which enables investments for growth, while maintaining financial flexibility 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.

The Group is committed to a sustainable dividend policy in line with earnings and cash flow generation. The Group is driving a transformation to deliver growth for the long term. Barring unforeseen circumstances, it plans to pay dividends at between 60% and 80% of underlying net profit. Underlying net profit is defined as net profit before exceptional items. This dividend policy will be reviewed regularly to reflect the progress of the Group's transformation.

35. DIVIDENDS

	Group		Company	
	2021 S$ Mil	2020 S$ Mil	2021 S$ Mil	2020 S$ Mil
Final dividend of 5.45 cents (2020: 10.7 cents) per share, paid	**889.7**	1,746.7	**889.9**	1,747.2
Interim dividend of 5.1 cents (2020: 6.8 cents) per share, paid	**832.5**	1,110.0	**832.8**	1,110.4
	1,722.2	2,856.7	**1,722.7**	2,857.6

During the financial year, a final one-tier tax exempt ordinary dividend of 5.45 cents per share, totalling S$890 million was paid in respect of the previous financial year ended 31 March 2020. In addition, an interim one-tier tax exempt ordinary dividend of 5.1 cents per share totalling S$833 million was paid in respect of the current financial year ended 31 March 2021, of which S$449 million was settled by issuance of shares under the Singtel Scrip Dividend Scheme.

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 2.4 cents per share, totalling approximately S$396 million in respect of the current financial year ended 31 March 2021 for approval at the forthcoming Annual General Meeting. The Singtel Scrip Dividend Scheme will not be applied to the final dividend.

These financial statements do not reflect the above final dividend payable which will be accounted for in the 'Shareholders' Equity' as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2022.

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. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES *(Cont'd)*

36.1 Financial assets and liabilities measured at fair value

Group **31 March 2021**	**Level 1** **S$ Mil**	**Level 2** **S$ Mil**	**Level 3** **S$ Mil**	**Total** **S$ Mil**
Financial assets				
FVOCI investments (**Note 26**)				
– Quoted equity securities	**309.3**	**–**	**–**	**309.3**
– Unquoted investments	**–**	**–**	**341.6**	**341.6**
	309.3	**–**	**341.6**	**650.9**
Derivative financial instruments (**Note 18**)	**–**	**86.1**	**–**	**86.1**
	309.3	**86.1**	**341.6**	**737.0**
Financial liabilities				
Derivative financial instruments (**Note 18**)	**–**	**368.0**	**–**	**368.0**
	–	**368.0**	**–**	**368.0**

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

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 2021	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 26**)				
– Quoted equity securities	**3.3**	**–**	**–**	**3.3**
Derivative financial instruments (**Note 18**)	**–**	**4.9**	**–**	**4.9**
	3.3	**4.9**	**–**	**8.2**
Financial liabilities				
Derivative financial instruments (**Note 18**)	**–**	**80.8**	**–**	**80.8**
	–	**80.8**	**–**	**80.8**

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

See **Note 2.17** for the policies on fair value estimation of the financial assets and liabilities.

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	
	2021 S$ Mil	**2020 S$ Mil**
FVOCI investments – unquoted		
Balance as at 1 April	**356.6**	625.0
Total (losses)/ gains included in 'Fair Value Reserve'	**(24.6)**	56.2
Additions	**20.1**	33.1
Disposals	**(5.6)**	(18.7)
Transfer out from Level 3 [1]	**–**	(339.1)
Translation differences	**(4.9)**	0.1
Balance as at 31 March	**341.6**	356.6

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 previous financial 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			
	S$ Mil	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
As at 31 March 2021					
Financial liabilities					
Group					
Bonds (**Note 29.1**)	**8,998.2**	**6,753.0**	**2,690.3**	**–**	**9,443.3**
Company					
Bonds (**Note 29.1**)	**799.4**	**965.8**	**–**	**–**	**965.8**
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

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 2021, 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 Group.

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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

37.2 Foreign Exchange Risk *(Cont'd)*

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**.

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 2021, after taking into account the effect of interest rate swaps, approximately 81% (31 March 2020: 72%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2021, 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$11.3 million (2020: S$15.8 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

37.3 Interest Rate Risk *(Cont'd)*

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.

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 decreased by S$12.8 million (31 March 2020: increased by S$124.7 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 2021, S$1.60 billion (31 March 2020: S$2.83 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 maintains 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.

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.

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.

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For the financial year ended 31 March 2021

38. SEGMENT INFORMATION *(Cont'd)*

The Group's reportable segments by the three business segments for the financial years ended 31 March 2021 and 31 March 2020 were as follows –

Group – 2021	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	8,789.4	5,938.9	915.7	–	15,644.0
Operating expenses	(6,472.8)	(4,457.7)	(933.8)	(89.6)	(11,953.9)
Other income	116.6	26.3	3.6	(5.0)	141.5
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	2,433.2	1,507.5	(14.5)	(94.6)	3,831.6
Share of pre-tax results of associates and joint ventures					
– Airtel	23.2	–	–	–	23.2
– Telkomsel	915.0	–	–	–	915.0
– Globe	346.2	–	–	–	346.2
– AIS	334.1	–	–	–	334.1
– Intouch	93.5	–	–	–	93.5
– Others	0.6	–	–	85.5	86.1
	1,712.6	–	–	85.5	1,798.1
EBITDA and share of pre-tax results of associates and joint ventures	4,145.8	1,507.5	(14.5)	(9.1)	5,629.7
Depreciation and amortisation	(1,838.8)	(747.9)	(93.2)	(4.9)	(2,684.8)
Earnings before interest and tax ("EBIT")	2,307.0	759.6	(107.7)	(14.0)	2,944.9
Segment assets					
Investment in associates and joint ventures					
– Airtel	5,408.4	–	–	–	5,408.4
– Telkomsel	3,127.8	–	–	–	3,127.8
– Globe	1,380.5	–	–	–	1,380.5
– AIS	1,009.4	–	–	–	1,009.4
– Intouch	1,691.5	–	–	–	1,691.5
– Others	33.1	–	–	433.0	466.1
	12,650.7	–	–	433.0	13,083.7
Goodwill on acquisition of subsidiaries	9,460.9	898.4	407.9	–	10,767.2
Other assets	15,138.9	6,339.2	932.6	1,736.8	24,147.5
	37,250.5	7,237.6	1,340.5	2,169.8	47,998.4

Notes to the Financial Statements

For the financial year ended 31 March 2021

38. SEGMENT INFORMATION *(Cont'd)*

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
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)
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

38. SEGMENT INFORMATION *(Cont'd)*

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

	Group	
	2021 S$ Mil	2020 S$ Mil
EBIT	**2,944.9**	3,703.7
Share of exceptional items of associates and joint ventures (post-tax)	**(670.2)**	(1,806.2)
Share of tax expense of associates and joint ventures	**(521.2)**	(466.0)
Exceptional items	**(604.3)**	415.7
Profit before interest, investment income (net) and tax	**1,149.2**	1,847.2
Interest and investment income (net)	**2.9**	180.0
Finance costs	**(398.1)**	(461.8)
Profit before tax	**754.0**	1,565.4

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% (2020: 39%) and 52% (2020: 51%) of Group's revenue for the financial year ended 31 March 2021, with the remaining 9% (2020: 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 2021 and 31 March 2020.

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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Less than 1 year	**84.9**	83.4	**84.2**	80.5
Between 1 and 2 years	**73.7**	76.8	**69.1**	75.0
Between 2 and 3 years	**67.4**	67.9	**63.9**	66.8
Between 3 and 4 years	**64.4**	62.4	**60.9**	62.4
Between 4 and 5 years	**61.3**	60.4	**58.7**	60.4
Over 5 years	**207.5**	268.2	**207.5**	268.2
	559.2	619.1	**544.3**	613.3

40. LEASE COMMITMENTS (AS A LESSEE)

The lease commitments for short term leases (excluding contracts of one month or less) was S$16.9 million as at 31 March 2021 (31 March 2020: S$22.2 million). The lease commitments as at 31 March 2021 for lease contracts which have not commenced was S$450 million (31 March 2020: 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 2021 S$ Mil	31 March 2020 S$ Mil	31 March 2021 S$ Mil	31 March 2020 S$ Mil
Authorised and contracted for	**989.3**	864.2	**185.1**	247.2

41.2 As at 31 March 2021, the Group's commitments for the purchase of broadcasting programme rights were S$330 million (31 March 2020: S$559 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 2021,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$337.2 million and S$141.6 million (31 March 2020: S$622.7 million and S$202.7 million) respectively.

(ii) The Company provided guarantees for loans of S$280 million (31 March 2020: S$1.69 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly-owned subsidiary, with maturities between September 2021 and May 2023.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$5.29 billion (31 March 2020: S$5.03 billion) due between September 2021 and June 2030.

(b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised primary tax of A$268 million, interest of A$58 million and penalties of A$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A$89 million. STAI's objections to the amended assessments were disallowed by the ATO on 27 September 2019. Based on legal advice, STAI has appealed the ATO's objection decisions in the Federal Court of Australia on 11 November 2019. In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2021.

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 2021.

42. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES *(Cont'd)*

(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$955 million) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (S$1.54 billion), excluding related interest. In the opinion of Airtel, the above demand amounts to alteration of the terms of the licences 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 has assessed and provided Rs. 18.08 billion (S$332 million) of the principal demand as well as the 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 2021 amounted to approximately Rs. 102.8 billion (S$1.89 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$146 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$577 million) or to pay the same amount plus interest.

In January 2021, CAT's demand in respect of transferring telecommunications systems under the Concession Agreement from DPC or to pay THB 13.4 billion (S$577 million) plus interest at 7.5% per annum was dismissed by the Arbitration Committee. CAT is eligible to appeal within 90 days.

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$1.77 billion) plus interest.

(b) additional revenue share of THB 36.2 billion (S$1.55 billion) plus interest based on gross interconnection income from 2007 to 2015.

43. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATES AND JOINT VENTURES *(Cont'd)*

(c) additional revenue share of THB 62.8 billion (S$2.70 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$1.33 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 the award which was followed by TOT's appeal to the Central Administrative Court to increase the award to THB 62.8 billion (S$2.70 billion).

(d) additional revenue share from disputes on roaming rates from 2013 to 2015 of THB 16.3 billion (S$698 million).

As at 31 March 2021, other claims against AIS and its subsidiaries which are pending adjudication amounted to THB 13.2 billion (S$567 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.

In November 2020, Intouch and Thaicom received notices from the Ministry requesting for replacement of the de-orbited Thaicom 5 satellite, or compensation equivalent to the value of satellite at THB 7.8 billion (S$335 million) plus fines and interest. The cases are 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 2021, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 465 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.

44. SUBSEQUENT EVENTS

(a) In April 2021, the Group issued S$1.0 billion of subordinated perpetual securities at 3.30% per annum and also launched its first sustainability-linked revolving credit facility of S$750 million for general corporate purposes.

(b) In May 2021, the Group acquired 40% equity interest in A5-DB Operations (S) Pte. Ltd., which will hold the Singapore Digibank Licence and conduct digital banking business in Singapore.

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 2021. 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 2021 and 31 March 2020.

46.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2021 %	2020 %
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**	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	**100**	100
4.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
5.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
6.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
7.	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	
			2021 %	2020 %
8.	SingCash Pte Ltd	Provision of money remittance and mobile financial services	**100**	100
9.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100
10.	Singtel Cyber Security (Singapore) Pte. Ltd.	Provision of information security services and products	**100**	100
11.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	**100**	100
12.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	**100**	100
13.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
14.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
15.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
16.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100
17.	Trustwave Pte. Ltd.	Provision of information security services and products	**100**	100

All companies are audited by KPMG LLP.

Notes to the Financial Statements

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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	
			2021 %	2020 %
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	amaysim Mobile Pty Ltd	Provision of mobile phone services	**100**	–
4.	DSpark Pty Limited	Develop and market data analytics and insights products and services	**100**	100
5.	Ensyst Pty Limited	Provision of cloud services	**100**	100
6.	Hivint Pty Limited	Provision of information security services and products	**100**	100
7.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
8.	Optus Administration Pty Limited [1]	Provision of management services to the Optus Group	**100**	100
9.	Optus ADSL Pty Limited [1]	Provision of carriage services	**100**	100
10.	Optus Billing Services Pty Limited [*][1]	Provision of billing services to the Optus Group	**100**	100
11.	Optus C1 Satellite Pty Limited [1]	C1 Satellite contracting party	**100**	100
12.	Optus Content Pty Limited [1]	Provision of digital content acquisition	**100**	100
13.	Optus Cyber Security Pty Limited	Supply of cyber security hardware and software services, professional consulting and managed security services	**100**	100
14.	Optus Data Centres Pty Limited [1]	Provision of data communication 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	
			2021 %	2020 %
15.	Optus Fixed Infrastructure Pty Limited [(1)]	Provision of telecommunications services	**100**	100
16.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
17.	Optus Internet Pty Limited [(1)]	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	**100**	100
18.	Optus Mobile Pty Limited [(1)]	Provision of mobile phone services	**100**	100
19.	Optus Networks Pty Limited [(1)]	Provision of telecommunications services	**100**	100
20.	Optus Satellite Pty Limited [(1)]	Provision of satellite services	**100**	100
21.	Optus Systems Pty Limited [(1)]	Provision of information technology services to the Optus Group	**100**	100
22.	Optus Vision Media Pty Limited [(*)(2)]	Provision of broadcasting related services	**20**	20
23.	Optus Vision Pty Limited [(1)]	Provision of telecommunications services	**100**	100
24.	Optus Wholesale Pty Limited [(1)]	Provision of services to wholesale customers	**100**	100
25.	Prepaid Services Pty Limited [(1)]	Distribution of prepaid mobile products	**100**	100
26.	Reef Networks Pty Ltd [(1)]	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
27.	Singapore Telecom Australia Investments Pty Limited	Investment holding company	**100**	100

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 2021 %	2020 %
28.	Singtel Optus Pty Limited	Provision of telecommunications services	**100**	100
29.	TWH Australia Pty. Ltd.	Provision of information security services and products	**100**	100
30.	Uecomm Operations Pty Limited [(1)]	Provision of data communication services	**100**	100
31.	Virgin Mobile (Australia) Pty Limited [(1)]	Provision of mobile phone services	**100**	100
32.	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.

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 2021 %	2020 %
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

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 2021 %	2020 %
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.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
7.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	**100**	100
8.	NCS Information Technology (Suzhou) Co., Ltd. (2)	Software development and provision of information technology services	People's Republic of China	**100**	100
9.	NCSI (Chengdu) Co., Ltd (2)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
10.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
11.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
12.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
13.	NCSI (Shanghai), Co. Ltd (2)	Provision of system integration, software research and development and other information technology related services	People's Republic of China	**100**	100

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	
				2021 %	**2020 %**
14.	NCSI Technologies (India) Pvt. Ltd.	Provision of information technology services	India	**100**	100
15.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	**100**	100
16.	Singtel Australia Investment Ltd.	Investment holding company	British Virgin Islands	**100**	100
17.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100
18.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	100
19.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
20.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
21.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
22.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
23.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
24.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100

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	
				2021 %	2020 %
25.	STI Solutions (Shanghai) Co., Ltd	Provision of technology development, technical consultation and technical services in the field of information technology	People's Republic of China	**100**	100
26.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
27.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	**100**	100
28.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	**100**	100
29.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	**100**	100
30.	Trustwave Limited	Provision of information security services and products	United Kingdom	**100**	100
31.	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) Subsidiary's financial year-end is 31 December.

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	
				2021 %	2020 %
1.	2359 Media Pte. Ltd. (2)	Development and design of mobile-based advertising	Singapore	–	28.3
2.	APT Satellite Holdings Limited (3)	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited (3)	Investment holding	British Virgin Islands	**28.6**	28.6
4.	Digital Games International Pte. Ltd. (4)	Operation of online community portal, game publishing, game advisory and consulting services	Singapore	**33.3**	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 (5)	Investment holding	Thailand	**21.1**	21.0
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics based on unified platform	Singapore	–	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	**48.9**	48.9
9.	NetLink Trust (6)	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 (6)	Investment holding	Singapore	**24.8**	24.8

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	
				2021 %	2020 %
11.	Singapore Post Limited [6]	Operation and provision of post and parcel, eCommerce logistics and property	Singapore	**21.7**	21.7
12.	SESTO Robotics Pte Ltd	Provision of autonomous mobile robots	Singapore	**22.8**	25.1
13.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.
(2) Acquired by NCS Pte. Ltd. during the year.
(3) The company has been equity accounted for in the consolidated financial statements based on results for the year ended, or as at, 31 December 2020, the financial year-end of the company.
(4) This represents the Group's direct interest in Digital Games International Pte. Ltd.
(5) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.
(6) 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	
				2021 %	2020 %
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 cableships	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

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 2021 %	2020 %
4.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
5.	ASEAN Telecom Holdings Sdn Bhd [3]	Investment holding	Malaysia	**14.3**	14.3
6.	Asiacom Philippines, Inc. [3]	Investment holding	Philippines	**40.0**	40.0
7.	Bharti Airtel Limited [6]	Provision of mobile, fixed line telecom services, national and international long distance connectivity, digital TV and integrated enterprise solutions	India	**31.7**	33.3
8.	Bharti Telecom Limited [6]	Investment holding	India	**49.4**	49.4
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**33.7**	33.9
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 Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
13.	International Cableship Pte Ltd	Ownership and chartering of cableships	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

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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	
				2021 %	2020 %
16.	Pacific Carriage Holdings Limited [9]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**29.99**	29.99
17.	PT Telekomunikasi Selular [10]	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
18.	Radiance Communications Pte Ltd [3]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
19.	Southern Cross Cables Holdings Limited [9][11]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**27.87**	27.87
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 for the year ended, or as at, 31 December 2020, 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 18 countries representing India, Sri Lanka, 14 countries in Africa, and joint ventures in 2 countries.

(7) Audited by Isla Lipana & Co./PwC Philippines.

(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.

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