



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR
ENDED 31 MARCH 2017**

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CONSOLIDATED INCOME STATEMENT*For the fourth quarter and financial year ended 31 March 2017*

	Notes	Quarter 31 Mar		Year 31 Mar	
		2017	2016	2017	2016
		S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Audited)	S\$ Mil (Audited)
Operating revenue		4,307.7	4,093.9	16,711.4	16,961.2
Operating expenses	2	(3,060.5)	(2,864.7)	(11,929.0)	(12,096.8)
Other income	3	61.2	32.6	215.3	148.3
		1,308.4	1,261.8	4,997.7	5,012.7
Depreciation and amortisation	4	(584.6)	(545.2)	(2,238.9)	(2,148.8)
		723.8	716.6	2,758.8	2,863.9
Exceptional items	5	25.6	(46.9)	(1.2)	(44.8)
Profit on operating activities		749.4	669.7	2,757.6	2,819.1
Associates and joint ventures					
- share of ordinary results		720.0	740.2	2,941.7	2,788.0
- share of tax of ordinary results		(197.0)	(197.3)	(849.0)	(863.1)
- share of exceptional items (post-tax)	6	(53.6)	(14.8)	(75.4)	70.0
- write-back of impairment provision on an associate		-	-	-	31.7
		469.4	528.1	2,017.3	2,026.6
Profit before interest, investment income (net) and tax		1,218.8	1,197.8	4,774.9	4,845.7
Interest and investment income (net)	7	15.4	6.1	114.8	94.7
Finance costs	8	(97.5)	(97.3)	(374.3)	(359.6)
Profit before tax		1,136.7	1,106.6	4,515.4	4,580.8
Tax expense	9	(181.1)	(166.2)	(684.4)	(722.5)
Profit after tax		955.6	940.4	3,831.0	3,858.3
Attributable to:					
Shareholders of the Company		963.3	946.0	3,852.7	3,870.8
Non-controlling interests		(7.7)	(5.6)	(21.7)	(12.5)
		955.6	940.4	3,831.0	3,858.3
Earnings per share attributable to shareholders of the Company					
- basic	11	5.90¢	5.94¢	23.96¢	24.29¢
- diluted	11	5.89¢	5.93¢	23.91¢	24.26¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the fourth quarter and financial year ended 31 March 2017*

	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Profit after tax	955.6	940.4	3,831.0	3,858.3
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 for the period	88.3	(306.6)	432.7	(728.0)
Cash flow hedges				
- Fair value changes during the period	(307.5)	(282.6)	16.3	(23.3)
- Tax effects	38.0	18.8	20.1	(10.0)
	(269.5)	(263.8)	36.4	(33.3)
- Fair value changes transferred to income statement	181.1	188.8	(1.5)	21.1
- Tax effects	(28.4)	(16.5)	(18.8)	11.1
	152.7	172.3	(20.3)	32.2
	(116.8)	(91.5)	16.1	(1.1)
Fair value changes on available-for-sale investments during the period	(3.0)	(47.7)	16.5	(87.5)
Share of other comprehensive gain of associates and joint ventures	328.8	51.8	223.4	81.5
Other comprehensive income/ (loss), net of tax	297.3	(394.0)	688.7	(735.1)
Total comprehensive income	1,252.9	546.4	4,519.7	3,123.2
Attributable to:				
Shareholders of the Company	1,260.8	553.1	4,541.5	3,136.7
Non-controlling interests	(7.9)	(6.7)	(21.8)	(13.5)
	1,252.9	546.4	4,519.7	3,123.2

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2017

	Notes	Group		Company	
		As at	As at	As at	As at
		31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
		S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
		(Audited)	(Audited)	(Audited)	(Audited)
Current assets					
Cash and cash equivalents		533.8	461.8	89.2	83.7
Trade and other receivables		4,924.2	4,366.4	523.5	504.2
Due from subsidiaries		-	-	1,149.8	2,525.2
Derivative financial instruments		107.3	17.5	107.1	9.5
Inventories		352.2	319.7	23.8	21.5
		5,917.5	5,165.4	1,893.4	3,144.1
Non-current assets					
Property, plant and equipment		11,892.9	11,154.0	2,326.5	2,171.4
Intangible assets		13,072.8	12,968.4	-	0.3
Subsidiaries		-	-	17,441.0	14,182.3
Joint ventures		12,282.9	10,729.9	23.0	21.2
Associates		1,952.2	356.3	603.5	603.5
Loan to an associate		1,100.5	1,100.5	1,100.5	1,100.5
Available-for-sale investments ("AFS")		192.9	147.5	37.4	35.1
Derivative financial instruments		455.2	622.6	284.9	321.0
Deferred tax assets		657.8	692.3	-	-
Other non-current receivables		769.5	628.8	155.1	175.4
		42,376.7	38,400.3	21,971.9	18,610.7
Total assets		48,294.2	43,565.7	23,865.3	21,754.8
Current liabilities					
Trade and other payables		4,922.4	4,597.1	880.0	917.7
Due to subsidiaries		-	-	722.0	666.7
Advance billings		835.4	800.2	74.8	76.2
Current tax liabilities		296.3	364.4	100.6	94.1
Borrowings (unsecured)	13	3,046.9	595.5	-	-
Borrowings (secured)	13	86.7	90.2	1.5	1.5
Derivative financial instruments		15.8	24.6	110.0	13.7
Net deferred gain		68.8	67.9	-	-
		9,272.3	6,539.9	1,888.9	1,769.9
Non-current liabilities					
Borrowings (unsecured)	13	7,852.7	9,019.0	746.2	747.2
Borrowings (secured)	13	199.6	236.0	157.2	158.8
Derivative financial instruments		303.1	316.2	370.0	416.7
Advance billings		245.7	265.5	138.3	139.5
Net deferred gain		1,282.7	1,323.3	-	-
Deferred tax liabilities		574.6	585.3	282.2	270.5
Other non-current liabilities		349.9	278.0	23.7	18.4
		10,808.3	12,023.3	1,717.6	1,751.1
Total liabilities		20,080.6	18,563.2	3,606.5	3,521.0
Net assets		28,213.6	25,002.5	20,258.8	18,233.8
Share capital and reserves					
Share capital	14	4,127.3	2,634.0	4,127.3	2,634.0
Reserves		24,086.3	22,355.2	16,131.5	15,599.8
Equity attributable to shareholders of the Company					
Non-controlling interests		22.4	35.7	-	-
Other reserve		(22.4)	(22.4)	-	-
Total equity		28,213.6	25,002.5	20,258.8	18,233.8

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2017*

Group - 2017	Currency							Total	Non-controlling Interests	Other Reserve ⁽⁵⁾	Total Equity	
	Share Capital	Treasury Shares ⁽¹⁾	Capital Reserve	Translation Reserve ⁽²⁾	Hedging Reserve	Fair Value Reserve	Retained Earnings					Other Reserves ⁽⁴⁾
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	
Balance as at 1 January 2017	4,128.0	(26.5)	(114.1)	(4,596.0)	127.9	60.0	28,528.9	(1,156.5)	26,951.7	30.6	(22.4)	26,959.9
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(0.9)	-	-	-	-	-	-	(0.9)	-	-	(0.9)
Performance shares purchased by Trust ⁽⁶⁾	-	(5.1)	-	-	-	-	-	-	(5.1)	-	-	(5.1)
Equity-settled share based payment	-	-	6.1	-	-	-	-	-	6.1	-	-	6.1
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.2)	-	(0.2)
Others	(0.7)	-	-	-	-	-	1.7	-	1.0	(0.1)	-	0.9
	(0.7)	(6.0)	6.1	-	-	-	1.7	-	1.1	(0.3)	-	0.8
Total comprehensive income/ (loss) for the quarter	-	-	-	88.5	(116.8)	(3.0)	963.3	328.8	1,260.8	(7.9)	-	1,252.9
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2017*

Group - 2016	Attributable to shareholders of the Company											Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency			Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil	Non- controlling Interests S\$ Mil	Other Reserve ⁽⁵⁾ S\$ Mil	
				Translation Reserve ⁽²⁾⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil						
Balance as at 1 January 2016	2,634.0	(24.5)	(123.5)	(4,634.8)	86.5	88.2	27,607.4	(1,101.7)	24,531.6	32.9	(22.4)	24,542.1
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(1.2)	-	-	-	-	-	-	(1.2)	-	-	(1.2)
Performance shares purchased by Trust ⁽⁶⁾	-	(4.9)	-	-	-	-	-	-	(4.9)	-	-	(4.9)
Equity-settled share based payment	-	-	6.4	-	-	-	-	-	6.4	-	-	6.4
Share of other reserves of associates and joint ventures	-	-	0.7	-	-	-	-	-	0.7	-	-	0.7
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	9.8	-	9.8
Others ⁽⁷⁾	-	-	-	-	-	-	(96.5)	-	(96.5)	(0.3)	-	(96.8)
	-	(6.1)	7.1	-	-	-	(96.5)	-	(95.5)	9.5	-	(86.0)
Total comprehensive (loss)/ income for the quarter	-	-	-	(305.5)	(91.5)	(47.7)	946.0	51.8	553.1	(6.7)	-	546.4
Balance as at 31 March 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2017*

Company - 2017	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 January 2017	4,128.0	-	39.8	113.4	26.5	15,203.4	19,511.1
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(0.9)	-	-	-	-	(0.9)
Equity-settled share based payment	-	-	3.1	-	-	-	3.1
Contribution to Trust ⁽⁶⁾	-	-	(4.6)	-	-	-	(4.6)
Others	(0.7)	-	-	-	-	-	(0.7)
	(0.7)	(0.9)	(1.5)	-	-	-	(3.1)
Total comprehensive (loss)/ income for the quarter	-	-	-	(53.1)	1.2	802.7	750.8
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2017*

Company - 2016	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 January 2016	2,634.0	-	(69.6)	94.6	27.8	14,258.7	16,945.5
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(1.2)	-	-	-	-	(1.2)
Equity-settled share based payment	-	-	2.5	-	-	-	2.5
Contribution to Trust ⁽⁶⁾	-	-	(4.2)	-	-	-	(4.2)
	-	(1.2)	(1.7)	-	-	-	(2.9)
Total comprehensive (loss)/ income for the quarter	-	-	-	(47.9)	(2.3)	1,341.4	1,291.2
Balance as at 31 March 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) In March 2016, the currency translation loss of S\$55.9 million in respect of the translation of Pacific Bangladesh Telecom Limited (45%-owned joint venture) has been transferred to the income statement upon the loss of joint control.
- (4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- (5) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.
- (6) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.
- (7) This included an amount of S\$97.4 million arising from re-assessments of future tax benefits on certain items of property, plant and equipment in respect of prior years.

STATEMENTS OF CHANGES IN EQUITY (AUDITED)

For the financial year ended 31 March 2017

Group - 2017	Attributable to shareholders of the Company												
	Share Capital	Treasury Shares ⁽¹⁾	Capital Reserve	Currency			Fair Value Reserve	Retained Earnings	Other Reserves ⁽⁴⁾	Total	Non-controlling Interests	Other Reserve ⁽⁵⁾	Total Equity
				Translation Reserve ⁽²⁾	Hedging Reserve	Currency Reserve ⁽³⁾							
S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	
Balance as at 1 April 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5	
Changes in equity for the year													
Issue of new shares (net of costs)	1,493.3	-	-	-	-	-	-	-	1,493.3	-	-	1,493.3	
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	-	-	(1.9)	-	-	(1.9)	
Performance shares purchased by Trust ⁽⁶⁾	-	(18.2)	-	-	-	-	-	-	(18.2)	-	-	(18.2)	
Performance shares vested	-	18.2	(18.2)	-	-	-	-	-	-	-	-	-	
Equity-settled share based payment	-	-	26.5	-	-	-	-	-	26.5	0.7	-	27.2	
Transfer of liability to equity	-	-	4.7	-	-	-	-	-	4.7	-	-	4.7	
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	(0.3)	
Performance shares purchased by Singtel Optus Pty Limited ("Optus") and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)	
Share of other reserves of associates and joint ventures	-	-	2.7	-	-	-	-	(2.7)	-	-	-	-	
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	12.9	-	12.9	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.0)	-	(5.0)	
Final dividend paid	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)	
Interim dividend paid	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)	
Others	-	-	-	-	-	-	(0.2)	1.5	1.3	(0.1)	-	1.2	
	1,493.3	(1.9)	8.4	-	-	-	(2,815.7)	(1.2)	(1,317.1)	8.5	-	(1,308.6)	
Total comprehensive income/ (loss) for the year	-	-	-	432.8	16.1	16.5	3,852.7	223.4	4,541.5	(21.8)	-	4,519.7	
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6	

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2017*

Group - 2016	Attributable to shareholders of the Company											Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency			Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil	Non- controlling Interests S\$ Mil	Other Reserve ⁽⁵⁾ S\$ Mil	
				Translation Reserve ⁽²⁾⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil						
Balance as at 1 April 2015	2,634.0	(39.2)	(114.9)	(4,213.3)	(3.9)	128.0	27,471.1	(1,128.5)	24,733.3	34.6	-	24,767.9
Changes in equity for the year												
Performance shares purchased by the Company	-	(5.0)	-	-	-	-	-	-	(5.0)	-	-	(5.0)
Performance shares purchased by Trust ⁽⁶⁾	-	(23.5)	-	-	-	-	-	-	(23.5)	-	-	(23.5)
Performance shares vested	-	37.1	(37.1)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	33.2	-	-	-	-	-	33.2	-	-	33.2
Transfer of liability to equity	-	-	16.4	-	-	-	-	-	16.4	-	-	16.4
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	-	-	(0.5)	-	-	(0.5)
Performance shares purchased by Optus and vested	-	-	(16.1)	-	-	-	-	-	(16.1)	-	-	(16.1)
Share of other reserves of associates and joint ventures	-	-	2.6	-	-	-	-	(2.9)	(0.3)	-	-	(0.3)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	21.2	-	21.2
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(4.9)	-	(4.9)
Final dividend paid	-	-	-	-	-	-	(1,705.4)	-	(1,705.4)	-	-	(1,705.4)
Interim dividend paid	-	-	-	-	-	-	(1,083.8)	-	(1,083.8)	-	-	(1,083.8)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	(2.4)	(22.4)	(24.8)
Others ⁽⁷⁾	-	-	-	-	-	-	(95.8)	-	(95.8)	0.7	-	(95.1)
	-	8.6	(1.5)	-	-	-	(2,885.0)	(2.9)	(2,880.8)	14.6	(22.4)	(2,888.6)
Total comprehensive (loss)/ income for the year	-	-	-	(727.0)	(1.1)	(87.5)	3,870.8	81.5	3,136.7	(13.5)	-	3,123.2
Balance as at 31 March 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2017*

Company - 2017	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 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8
Changes in equity for the year							
Issue of new shares (net of costs) ⁽⁸⁾	1,493.3	-	109.1	-	-	-	1,602.4
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	(1.9)
Performance shares vested	-	2.2	(2.2)	-	-	-	-
Equity-settled share based payment	-	-	12.7	-	-	-	12.7
Transfer of liability to equity	-	-	4.9	-	-	-	4.9
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust ⁽⁶⁾	-	-	(14.6)	-	-	-	(14.6)
Final dividend paid	-	-	-	-	-	(1,706.0)	(1,706.0)
Interim dividend paid	-	-	-	-	-	(1,110.4)	(1,110.4)
	1,493.3	0.3	109.6	-	-	(2,816.4)	(1,213.2)
Total comprehensive income for the year	-	-	-	13.6	2.2	3,222.4	3,238.2
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

STATEMENTS OF CHANGES IN EQUITY (AUDITED)

For the financial year ended 31 March 2017

Company - 2016	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2015	2,634.0	(3.9)	(70.8)	12.9	34.0	14,900.4	17,506.6
Changes in equity for the year							
Performance shares purchased by the Company	-	(4.8)	-	-	-	-	(4.8)
Performance shares vested	-	7.5	(7.5)	-	-	-	-
Equity-settled share based payment	-	-	11.3	-	-	-	11.3
Transfer of liability to equity	-	-	16.4	-	-	-	16.4
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	(0.5)
Contribution to Trust ⁽⁶⁾	-	-	(20.2)	-	-	-	(20.2)
Final dividend paid	-	-	-	-	-	(1,705.9)	(1,705.9)
Interim dividend paid	-	-	-	-	-	(1,084.2)	(1,084.2)
	-	2.7	(0.5)	-	-	(2,790.1)	(2,787.9)
Total comprehensive income/ (loss) for the year	-	-	-	33.8	(8.5)	3,489.8	3,515.1
Balance as at 31 March 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) In March 2016, the currency translation loss of S\$55.9 million in respect of the translation of Pacific Bangladesh Telecom Limited (45%-owned joint venture) has been transferred to the income statement upon the loss of joint control.
- (4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- (5) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave. When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.
- (6) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.
- (7) This includes an amount of S\$97.4 million arising from re-assessments of future tax benefits on certain items of property, plant and equipment in respect of prior years.
- (8) The amount credited to 'Capital Reserve' relates to fair value adjustment on the new shares issued on completion of the acquisitions of equity interest in Intouch Holdings Public Company Limited and Bharti Telecom Limited.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter and financial year ended 31 March 2017

	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Cash Flows from Operating Activities				
Profit before tax	1,136.7	1,106.6	4,515.4	4,580.8
Adjustments for				
Depreciation and amortisation	584.6	545.2	2,238.9	2,148.8
Exceptional items (non-cash)	(25.9)	8.0	(37.1)	(2.4)
Interest and investment income (net)	(15.4)	(6.1)	(114.8)	(94.7)
Finance costs	97.5	97.3	374.3	359.6
Share of results of associates and joint ventures (post-tax)	(469.4)	(528.1)	(2,017.3)	(2,026.6)
Other non-cash items	12.4	15.2	25.8	34.4
	183.8	131.5	469.8	419.1
Operating cash flow before working capital changes	1,320.5	1,238.1	4,985.2	4,999.9
Changes in operating assets and liabilities				
Trade and other receivables	(98.9)	90.8	(561.7)	(610.0)
Trade and other payables	(32.0)	(74.0)	93.4	(402.7)
Inventories	37.3	(4.9)	(23.6)	(28.9)
Cash generated from operations	1,226.9	1,250.0	4,493.3	3,958.3
Payment to employees in cash under performance share plans	-	-	(0.3)	(3.1)
Dividends received from associates and joint ventures	330.5	66.4	1,655.5	1,350.7
Income tax and withholding tax paid (Note 1)	(141.1)	(108.1)	(833.8)	(658.2)
Net cash from operating activities	1,416.3	1,208.3	5,314.7	4,647.7
Cash Flows from Investing Activities				
Dividends received from AFS investments	0.2	-	1.7	1.7
Proceeds from sale of AFS investments	16.1	5.4	75.0	81.3
Investment in AFS investments	(7.2)	(12.9)	(34.6)	(38.6)
Interest received	17.8	22.0	39.4	68.1
Deferred proceeds/ proceeds from disposal of associate and joint venture	18.4	1.1	61.5	15.6
Investment in associate and joint ventures (Note 2)	(0.4)	(215.0)	(2,471.8)	(215.4)
Payments for acquisition of subsidiaries, net of cash acquired (Note 3)	-	(1.6)	(4.9)	(1,059.4)
Contribution from non-controlling interests	-	9.8	12.9	21.2
Balance carried forward	44.9	(191.2)	(2,320.8)	(1,125.5)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter and financial year ended 31 March 2017

	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Cash Flows from Investing Activities (continued)				
Balance brought forward	44.9	(191.2)	(2,320.8)	(1,125.5)
Payment for purchase of property, plant and equipment	(652.8)	(527.0)	(2,260.6)	(1,930.0)
Proceeds from sale of property, plant and equipment	0.1	0.3	34.2	5.7
Purchase of intangible assets	(23.5)	(22.1)	(257.7)	(173.3)
Withholding tax paid on intra-group interest income	(13.0)	(13.6)	(27.3)	(26.9)
Repayment of loan by an associate	-	510.0	-	510.0
Net cash used in investing activities	(644.3)	(243.6)	(4,832.2)	(2,740.0)
Cash Flows from Financing Activities				
Proceeds from term loans	1,720.8	1,821.4	6,174.9	5,849.5
Repayment of term loans	(1,465.8)	(2,076.3)	(5,263.7)	(6,058.2)
Proceeds from bond issue	-	250.0	675.4	1,321.1
Repayment of bonds	(154.2)	-	(404.2)	-
Proceeds from finance lease liabilities	4.7	2.3	10.1	57.4
Finance lease payments	(8.6)	(8.6)	(34.9)	(41.1)
Net proceeds from/ (repayment of) borrowings	96.9	(11.2)	1,157.6	1,128.7
Interim dividend paid to shareholders of the Company	(1,110.0)	(1,083.8)	(1,110.0)	(1,083.8)
Net interest paid on borrowings and swaps	(71.8)	(79.9)	(351.3)	(335.6)
Settlement of swap for bonds repaid	16.3	-	16.3	-
Purchase of performance shares	(6.0)	(6.1)	(27.2)	(44.1)
Final dividend paid to shareholders of the Company	-	-	(1,705.5)	(1,705.4)
Dividend paid to non-controlling interests	(0.2)	-	(5.0)	(4.9)
Proceeds from issue of shares (Note 2)	-	-	1,602.4	-
Others	0.3	0.5	0.3	1.6
Net cash used in financing activities	(1,074.5)	(1,180.5)	(422.4)	(2,043.5)
Net change in cash and cash equivalents	(302.5)	(215.8)	60.1	(135.8)
Exchange effects on cash and cash equivalents	(11.5)	(8.3)	11.9	34.8
Cash and cash equivalents at beginning of period	847.8	685.9	461.8	562.8
Cash and cash equivalents at end of period	533.8	461.8	533.8	461.8

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2017***Note (1): Income tax and withholding tax paid**

Included a payment of S\$142 million (A\$134 million) made to the Australian Taxation Office in November 2016 for amended assessments related to the acquisition financing of Optus. This payment has been recorded as a receivable (see Note 17(b)).

Note (2): Investment in associate and joint ventures, and proceeds from issue of shares

On 17 November 2016, Singtel completed the acquisitions of 21.0% equity interest in Intouch Holdings Public Company Limited (“**Intouch**”) for S\$1.59 billion and an additional 7.4% equity interest in Bharti Telecom Limited (“**BTL**”) for S\$884 million. The acquisitions were partially financed by proceeds of S\$1.60 billion from the issuance of 385,581,351 new ordinary shares of Singtel listed on the Singapore Exchange.

Note (3): Payments for acquisition of subsidiaries

- (a) During the financial year, deferred payments of S\$3.4 million and S\$1.5 million were made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, “**Adconion**”) and Ensyst Pty Limited respectively.
- (b) In the previous financial year, the Group made payment of S\$1.05 billion to acquire Trustwave Holdings, Inc., and also made deferred payments of S\$4.5 million in respect of the acquisition of Adconion.

Note (4): Non-cash transaction

In March 2016, Singtel received a dividend distribution of S\$60 million from NetLink Trust, a 100%-owned associate of Singtel, which was offset against an amount due to NetLink Trust.

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

	As at 31 Mar	
	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Fixed deposits	164.1	79.2
Cash and bank balances	369.7	382.6
	533.8	461.8

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***1. BASIS OF PREPARATION**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current quarter/ year as the most recent audited financial statements as at 31 March 2016. The adoption of the new or revised Singapore Financial Reporting Standards (“FRS”), amendments to FRS and Interpretations to FRS which are mandatory from 1 April 2016 did not have a significant impact on the financial statements of the Group and the Company.

2. OPERATING EXPENSES

The income statement included the following items -

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Impairment of trade receivables	35.2	28.5	139.1	122.6
Allowance for inventory obsolescence (net)	0.9	(1.7)	1.6	6.3

3. OTHER INCOME

Other income included the following items -

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Rental income	0.8	1.0	3.3	3.8
Net exchange gains/ (losses) - trade related	2.6	(5.1)	(6.2)	6.0
Net (losses)/ gains on disposal of property, plant and equipment	(0.5)	(4.0)	3.4	(6.3)

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***4. DEPRECIATION AND AMORTISATION**

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Depreciation of property, plant and equipment	513.0	475.6	1,959.9	1,892.1
Amortisation of intangibles	72.4	70.4	282.1	259.8
Amortisation of deferred gain on sale of a joint venture	(0.8)	(0.8)	(3.1)	(3.1)
	584.6	545.2	2,238.9	2,148.8

5. EXCEPTIONAL ITEMS

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil (Unaudited)	2016 S\$ Mil (Unaudited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Exceptional gains				
Gain on dilution of interest in associates and joint ventures	32.3	1.5	33.3	2.2
Gain on sale of AFS investments	5.1	46.5	11.5	95.9
Reversal of AFS impairment	0.2	-	4.8	-
Gain on disposal of a joint venture	-	-	-	1.7
	37.6	48.0	49.6	99.8
Exceptional losses				
Impairment of other non-current assets	(11.7)	-	(11.7)	-
Ex-gratia costs on staff restructuring	(0.3)	(1.9)	(38.3)	(10.2)
Impairment of AFS investments	-	(0.1)	(0.6)	(11.6)
Loss on sale of AFS investments	-	-	(0.2)	-
Reclassification of translation loss of a joint venture from equity	-	(55.9)	-	(55.9)
Net expense from legal disputes	-	(37.0)	-	(37.0)
Impairment of carrying value of a subsidiary	-	-	-	(29.9)
	(12.0)	(94.9)	(50.8)	(144.6)
	25.6	(46.9)	(1.2)	(44.8)

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

6. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATES AND JOINT VENTURES (POST-TAX)

Group	Quarter 31 Mar		Year 31 Mar	
	2017	2016	2017	2016
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Audited)	S\$ Mil (Audited)
Share of Singapore Post's impairment charges on investments and other one-off items	(42.4)	-	(42.4)	-
Share of Airtel's exceptional items	(5.7)	(15.2)	11.7	69.6
Share of AIS' handset subsidy costs	(5.5)	(24.9)	(44.7)	(24.9)
Share of Singapore Post's divestment gains on investments	-	25.3	-	25.3
	(53.6)	(14.8)	(75.4)	70.0

7. INTEREST AND INVESTMENT INCOME (NET)

Group	Quarter 31 Mar		Year 31 Mar	
	2017	2016	2017	2016
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Audited)	S\$ Mil (Audited)
Interest income from				
- bank deposits	1.5	1.7	5.8	6.3
- others	7.4	11.0	31.6	44.3
	8.9	12.7	37.4	50.6
Dividends from joint ventures	15.1	12.5	60.9	42.9
Gross dividends from AFS investments	0.3	0.7	1.4	2.2
Fair value gains/ (losses) on fair value hedges				
- hedged item	51.6	(0.2)	57.8	177.7
- hedging instrument	(51.0)	(2.4)	(51.3)	(179.0)
	0.6	(2.6)	6.5	(1.3)
Fair value gains/ (losses) on cash flow hedges				
- hedged item	181.1	188.8	(1.5)	21.1
- hedging instrument	(181.1)	(188.8)	1.5	(21.1)
	-	-	-	-
Other fair value (losses)/ gains	(3.1)	(10.2)	0.5	(1.8)
Net foreign exchange (losses)/ gains - non-trade related	(6.4)	(7.0)	8.1	2.1
	15.4	6.1	114.8	94.7

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***8. FINANCE COSTS**

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil	2016 S\$ Mil	2017 S\$ Mil	2016 S\$ Mil
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Interest expense on				
- bonds	77.7	74.0	305.5	283.3
- bank loans	11.3	13.5	36.1	45.4
- others	7.8	9.8	28.7	31.7
	96.8	97.3	370.3	360.4
Less: Amounts capitalised	-	-	-	(0.8)
	96.8	97.3	370.3	359.6
Effects of hedging using interest rate swaps	(0.3)	(1.0)	(0.2)	(4.2)
Unwinding of discounts (including adjustments)	1.0	1.0	4.2	4.2
	97.5	97.3	374.3	359.6

9. TAX EXPENSE

Group	Quarter 31 Mar		Year 31 Mar	
	2017 S\$ Mil	2016 S\$ Mil	2017 S\$ Mil	2016 S\$ Mil
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Current and deferred tax expense attributable to current period's profits	139.5	155.7	531.2	590.7
Current and deferred tax adjustments in respect of prior years	(6.6)	(13.0)	(8.1)	(12.7)
Withholding and dividend distribution taxes on dividend income from joint ventures	48.2	23.5	161.3	144.5
	181.1	166.2	684.4	722.5

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***10. BREAKDOWN OF SALES**

Group	Year		% change
	31 Mar 17 S\$ Mil (Unaudited)	31 Mar 16 S\$ Mil (Unaudited)	
Sales reported for first half year	7,994.2	8,392.9	-4.8%
Operating profit after tax before deducting non-controlling interest reported for first half year	1,908.6	1,968.3	-3.0%
Sales reported for second half year	8,717.2	8,568.3	1.7%
Operating profit after tax before deducting non-controlling interest reported for second half year	<u>1,922.4</u>	<u>1,890.0</u>	<u>1.7%</u>

11. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	Quarter 31 Mar		Year 31 Mar	
	2017 '000 (Unaudited)	2016 '000 (Unaudited)	2017 '000 (Audited)	2016 '000 (Audited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	16,321,979	15,936,875	16,082,136	15,937,017
Adjustment for dilutive effect of performance share plans	27,115	15,012	27,115	15,012
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>16,349,094</u>	<u>15,951,887</u>	<u>16,109,251</u>	<u>15,952,029</u>

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

12. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

12. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the assets and liabilities measured at fair value as at 31 March 2017:

Group 31 March 2017 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted investments	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments	-	318.9	-	318.9

Group 31 March 2016 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted investments	41.5	-	-	41.5
- Unquoted investments	-	-	42.9	42.9
	41.5	-	42.9	84.4
Derivative financial instruments	-	640.1	-	640.1
	41.5	640.1	42.9	724.5
Financial liabilities				
Derivative financial instruments	-	340.8	-	340.8

Note:

(1) Excluded AFS investments stated at cost of S\$69.3 million (31 March 2016: S\$63.1 million).

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***12. FAIR VALUE MEASUREMENTS (Continued)**

Company 31 March 2017 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted investments	29.1	-	-	29.1
- Unquoted investments	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments	-	480.0	-	480.0

Company 31 March 2016 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted investments	27.4	-	-	27.4
- Unquoted investments	-	-	7.7	7.7
	27.4	-	7.7	35.1
Derivative financial instruments	-	330.5	-	330.5
	27.4	330.5	7.7	365.6
Financial liabilities				
Derivative financial instruments	-	430.4	-	430.4

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***12. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 31 March 2017:

31 March 2017 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	<u>8,681.4</u>	6,722.9	2,402.9	-	<u>9,125.8</u>
Company					
Bonds	<u>746.2</u>	957.0	-	-	<u>957.0</u>

31 March 2016 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	<u>8,347.6</u>	6,100.1	2,746.3	-	<u>8,846.4</u>
Company					
Bonds	<u>747.2</u>	969.0	-	-	<u>969.0</u>

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

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***12. FAIR VALUE MEASUREMENTS (Continued)**

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

	Group		Company	
	31 Mar 17 S\$ Mil (Audited)	31 Mar 16 S\$ Mil (Audited)	31 Mar 17 S\$ Mil (Audited)	31 Mar 16 S\$ Mil (Audited)
AFS investments - unquoted				
Balance as at 1 April	42.9	100.5	7.7	9.5
Total gains/ (losses) included in 'Fair Value Reserve'	15.5	(43.4)	0.6	(1.8)
Additions	20.7	1.9	-	-
Write back of/ (Provision) for impairment	1.5	(6.4)	-	-
Disposals	(2.4)	(13.3)	-	-
Transfer from Level 3	(0.9)	-	-	-
Transfer to Level 3	13.0	3.6	-	-
Balance as at 31 March	90.3	42.9	8.3	7.7

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

13. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	31 Mar 17 S\$ Mil (Audited)	31 Mar 16 S\$ Mil (Audited)	31 Mar 17 S\$ Mil (Audited)	31 Mar 16 S\$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	3,046.9	595.5	-	-
Repayable after one year	7,852.7	9,019.0	746.2	747.2
	10,899.6	9,614.5	746.2	747.2
Secured borrowings				
Repayable within one year	86.7	90.2	1.5	1.5
Repayable after one year	199.6	236.0	157.2	158.8
	286.3	326.2	158.7	160.3
	11,185.9	9,940.7	904.9	907.5

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

Secured borrowings of the Group and the Company comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust. In addition, the Group's secured borrowings included certain bank loans of Trustwave secured on the assets of Trustwave and shares in certain of its subsidiaries.

14. SHARE CAPITAL AND OTHER EQUITY INFORMATION

	Quarter		Year	
	31 Mar 17		31 Mar 17	
Group and Company	Number of shares Mil (Unaudited)	Share capital S\$ Mil (Unaudited)	Number of shares Mil (Audited)	Share capital S\$ Mil (Audited)
	Balance as at beginning of period	16,329.1	4,128.0	15,943.5
Shares issued (net of costs) ⁽¹⁾	-	(0.7)	385.6	1,493.3
Balance as at end of period	16,329.1	4,127.3	16,329.1	4,127.3

Note:

(1) The amount in the current quarter relates to some share issuance costs.

Singtel issued 385,581,351 new ordinary shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL in November 2016.

As at 31 March 2017, the number of outstanding performance shares under Singtel's performance share plans was 38,090,751 (31 March 2016: 36,937,088).

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***15. DIVIDENDS**

	Group		Company	
	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)	2017 S\$ Mil (Audited)	2016 S\$ Mil (Audited)
Total annual exempt (one-tier) dividend				
Final dividend	1,705.5	1,705.4	1,706.0	1,705.9
Interim dividend	1,110.0	1,083.8	1,110.4	1,084.2
Total	2,815.5	2,789.2	2,816.4	2,790.1

During the financial year, a final one-tier exempt ordinary dividend of 10.7 cents per share, totalling S\$1.71 billion was paid in respect of the previous financial year ended 31 March 2016, and an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S\$1.11 billion was paid in respect of the current financial year ended 31 March 2017.

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 exempt ordinary dividend of 10.7 cents per share, totalling approximately S\$1.75 billion in respect of the current financial year ended 31 March 2017 for approval at the forthcoming Annual General Meeting.

This report does not reflect the above final dividend payable of approximately S\$1.75 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2018.

The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined, as well as the date the dividend is payable, will be announced in due course.

16. NET ASSET VALUE

	Group		Company	
	As at		As at	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
	S\$	S\$	S\$	S\$
	(Audited)	(Audited)	(Audited)	(Audited)
Net asset value per ordinary share	1.73	1.57	1.24	1.14

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***17. CONTINGENT LIABILITIES****(a) Guarantees**

- (i) As at 31 March 2017, the Group and Company provided bankers' and other guarantees, and insurance bonds of S\$437.5 million and S\$268.1 million (31 March 2016: S\$264.4 million and S\$480.3 million) respectively.
- (ii) As at 31 March 2017, the Company provided guarantees for loans of S\$1.16 billion (31 March 2016: S\$740 million) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between May 2017 and September 2018.
- (iii) As at 31 March 2017, the Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$4.92 billion (31 March 2016: S\$4.63 billion) due between September 2017 and October 2026.

- (b) In December 2013, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received a tax position paper from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus, and on 22 October 2014, received a Statement of Audit Position. On 30 November 2015, STAI received the final Statement of Audit Position from the ATO, and on 18 July 2016, received the findings and recommendations of ATO's Independent Review. On 25 October 2016, STAI received the determinations from the ATO and on 2 November 2016, received the amended assessments totalling A\$326 million, comprising primary tax of A\$268 million and interest of A\$58 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax, estimated at A\$89 million.

On 21 March 2017, STAI received further notices of assessment totalling A\$67 million for penalties.

STAI has received advice from external experts in relation to the matter and has objected to the amended assessments and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2017.

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 has been recognised as a receivable as at 31 March 2017.

- (c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/ or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/ or representations. Optus is vigorously defending all these claims.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

18. CONTINGENT LIABILITIES OF JOINT VENTURES

- (a) Bharti Airtel Limited ("**Airtel**"), a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S\$1.12 billion) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion for holding GSM spectrum beyond 6.2 MHz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion for GSM spectrum held beyond 4.4 MHz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2017, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 135 billion (S\$2.91 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

- (b) Advanced Info Service Public Company Limited ("**AIS**"), a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded that AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively pay additional revenue shares of THB 31.5 billion (S\$1.28 billion) and THB 3.4 billion (S\$139 million) arising from the abolishment of excise tax. These claims were dismissed by the lower tribunals and are now pending appeal by TOT and CAT before the Supreme Administrative Court and Central Administrative Court respectively.

In 2015, TOT demanded that AIS pays additional revenue share of THB 62.8 billion (S\$2.55 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. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S\$1.47 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S\$1.67 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

18. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

As at 31 March 2017, there are a number of other claims filed by third parties against AIS and its subsidiaries amounting to THB 29.7 billion (S\$1.21 billion) which are pending adjudication.

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

- (c) Globe Telecom, Inc. ("**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 ("**Notice**") filed by Globe, PLDT and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. Globe responded that the Notice was filed in accordance with the prevailing rules and regulations of the Philippine Competition Act. In July 2016, Globe filed a petition with the Court of Appeals ("**CA**") to stop the PCC from reviewing the acquisition, and in August 2016, the PCC requested the CA to declare the acquisition to be void.

PLDT filed a similar petition to the CA and secured a temporary restraining order ("**TRO**") in August 2016. Thereafter, Globe's petition was consolidated with that of PLDT's and the consolidation effectively extended the benefit of PLDT's TRO to Globe.

In April 2017, the PCC filed a petition before the Supreme Court to lift the CA's order that has prevented the PCC on any review of the acquisition. Globe then filed a motion before the Supreme Court to dismiss the petition filed by the PCC.

- (d) As at 31 March 2017, PT Telekomunikasi Selular ("**Telkomsel**"), a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 828 billion (S\$87 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

19. GROUP SEGMENT INFORMATION

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

The Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT 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 adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

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

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2017***19. GROUP SEGMENT INFORMATION (Continued)***For the financial year ended 31 March 2017*

Group - 2017 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,572.0	6,600.3	539.1	-	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	-	-	-	579.9
- Telkomsel	1,422.0	-	-	-	1,422.0
- Globe	288.0	-	-	-	288.0
- AIS	389.3	-	-	-	389.3
- Intouch	31.3	-	-	-	31.3
- Others	1.2	-	-	230.0	231.2
	2,711.7	-	-	230.0	2,941.7
EBITDA and share of pre-tax results of associates and joint ventures	6,006.6	1,913.3	(122.2)	141.7	7,939.4
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
Earnings before interest and tax ("EBIT")	4,482.2	1,268.4	(190.3)	140.2	5,700.5
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

19. GROUP SEGMENT INFORMATION (Continued)

For the financial year ended 31 March 2017

Group - 2016 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	10,110.2	6,396.9	454.1	-	16,961.2
Operating expenses	(6,969.7)	(4,466.6)	(587.7)	(72.8)	(12,096.8)
Other income/ (expense)	125.8	28.4	(3.1)	(2.8)	148.3
EBITDA	3,266.3	1,958.7	(136.7)	(75.6)	5,012.7
Share of pre-tax results of associates and joint ventures					
- Airtel	678.1	-	-	-	678.1
- Telkomsel	1,139.6	-	-	-	1,139.6
- Globe	335.4	-	-	-	335.4
- AIS	453.4	-	-	-	453.4
- Others	1.1	-	-	183.2	184.3
	2,607.6	-	-	183.2	2,790.8
EBITDA and share of pre-tax results of associates and joint ventures	5,873.9	1,958.7	(136.7)	107.6	7,803.5
Depreciation and amortisation	(1,455.4)	(621.6)	(68.8)	(3.0)	(2,148.8)
EBIT	4,418.5	1,337.1	(205.5)	104.6	5,654.7
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,478.7	-	-	-	5,478.7
- Telkomsel	3,471.0	-	-	-	3,471.0
- Globe	1,079.9	-	-	-	1,079.9
- AIS	605.7	-	-	-	605.7
- Others	24.7	-	-	426.2	450.9
	10,660.0	-	-	426.2	11,086.2
Goodwill on acquisition of subsidiaries	9,191.2	1,195.8	703.3	-	11,090.3
Other assets	11,728.9	5,228.5	608.8	3,823.0	21,389.2
	31,580.1	6,424.3	1,312.1	4,249.2	43,565.7

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

19. GROUP SEGMENT INFORMATION (Continued)

For the financial year ended 31 March 2017

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

Group	31 Mar 17 S\$ Mil (Audited)	31 Mar 16 S\$ Mil (Audited)
EBIT	5,700.5	5,654.7
Share of exceptional items of associates and joint ventures (post-tax)	(75.4)	67.2
Share of tax expense of associates and joint ventures	(849.0)	(863.1)
Write-back of impairment provision of an associate	-	31.7
Exceptional items	(1.2)	(44.8)
Profit before interest, investment income (net) and tax	4,774.9	4,845.7
Interest and investment income (net)	114.8	94.7
Finance costs	(374.3)	(359.6)
Profit before tax	4,515.4	4,580.8

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

Group	Year 31 Mar 17 S\$ Mil (Audited)	Year 31 Mar 16 S\$ Mil (Audited)
Mobile communications	5,930.6	6,713.5
Data and Internet	3,321.2	3,138.1
<i>Managed services</i>	2,282.0	2,013.6
<i>Business solutions</i>	659.7	636.9
Infocomm Technology (ICT)	2,941.7	2,650.5
Sale of equipment	1,903.8	1,801.9
National telephone	1,062.4	1,128.1
Digital businesses	565.6	476.2
International telephone	479.7	541.9
Pay television	292.5	284.9
Others	213.9	226.1
Operating revenue	16,711.4	16,961.2

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 2017 and 31 March 2016.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

OTHER INFORMATION

20. The statements of financial position as at 31 March 2017 and the income statement, statement of comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2017 presented in this announcement have been audited in accordance with Singapore Standards on Auditing.

21. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2017.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2017.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2017.

24. INTERESTED PERSON TRANSACTIONS

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

25. **DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION IN THE ISSUER OR ANY OF ITS PRINCIPAL SUBSIDIARIES WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER OF THE ISSUER.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2017

27. SUBSEQUENT EVENT

On 10 April 2017, Amobee, Inc. completed its acquisition of 100% of the share capital of Turn, Inc. for an aggregate consideration of US\$290 million after adjustments for working capital and net debt. Turn, Inc., a corporation organised under the laws of Delaware, USA, is a leading provider of a global technology platform for marketers and agencies. The purchase price allocation exercise for this acquisition will be performed in the financial year ending 31 March 2018.

The auditor's report on the full financial statements of Singapore Telecommunications Limited for the financial year ended 31 March 2017 is as follows:

**“INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SINGAPORE TELECOMMUNICATIONS LIMITED
For the financial year ended 31 March 2017**

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 2017, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “**Act**”) and Financial Reporting Standards in Singapore (“**FRSs**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
<p>Revenue recognition</p> <p>We have identified three critical areas in relation to revenue set out below that we consider significant either because of the complexity of the operation of billing systems or because of the required exercise of judgement:</p> <ul style="list-style-type: none"> • accounting for long-term contracts, particularly with respect to Group Enterprise Infocomm Technology (“ICT”) projects; • accounting for new products and tariffs introduced in the year; and • the timing of revenue recognition. <p>The accounting policies for revenue recognition are set out in Note 2.20 to the financial statements and the different revenue streams for the Group have been disclosed in Note 4 to the financial statements.</p>	<p>Our audit approach included both controls testing and substantive procedures as follows:</p> <ul style="list-style-type: none"> • We performed procedures to identify Group Enterprise ICT contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions. • We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions. In doing so, we involved our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications.

Key Audit Matters**Our audit performed and responses thereon**

- We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing systems. We tested the access controls and change management controls for the Group's billing systems.
- We tested samples of customer bills for accuracy for new products and tariffs introduced in the year.
- We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported.
- We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items.

We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis.

We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams.

No exceptions were noted in the key reconciliations and manual journal entries which may result in significant misstatements in revenue recorded in the year.

Taxation

The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities.

The Group has been responding to an ongoing specific issue audit by the Australian Taxation Office ("ATO") in connection with the acquisition financing of Singtel Optus Pty Limited ("Optus"). In November 2016, the Group received amended assessments totalling A\$326 million, comprising primary tax of A\$268 million and interest of A\$58 million. On 21 March 2017, further notices of assessment for penalties were received from the ATO totalling A\$67 million. In accordance with the ATO administrative practice, the Group paid a minimum 50% of the assessed primary tax on 21 November 2016. This payment has been recognised as a non-current receivable and no provision has been made as at 31 March 2017.

The Group has engaged and involved external specialists to advise management on this specific issue audit, including raising objections to the amended assessments. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved.

The Group has made disclosures on the above matter in Note 39(b) to the financial statements.

We have involved our tax specialists in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group and the amount paid represents a receivable as at 31 March 2017. We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case with the specialists. Based on our procedures, we believe that the position taken by the Group is appropriate.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Key Audit Matters**Our audit performed and responses thereon****Goodwill impairment review**Optus, Amobee, Inc. and Trustwave

Under FRSS, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates.

As at 31 March 2017, the goodwill recorded on Optus, Amobee, Inc. and Trustwave Holdings, Inc. ("**Trustwave**") amounted to S\$9.29 billion, S\$729.8 million and S\$1.06 billion respectively, cumulatively constituting approximately 23% of the Group's total assets.

The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.

Bharti Airtel

Bharti Airtel Limited ("**Airtel**"), a joint venture of the Group, has recorded significant goodwill arising from the acquisition of Airtel Africa in June 2010, of which the Group's share is considered material.

This goodwill recorded by Airtel is required to be tested for impairment at least annually. As the amount of goodwill recorded is material, an impairment thereof may materially affect the Group's share of the joint venture's results. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets in Africa. The Group's carrying value in Airtel (which includes the goodwill) is disclosed in Note 22 to the financial statements.

Optus, Amobee, Inc. and Trustwave

Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included:

- using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate, and comparing the independent expectations to those used by management;
- challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; and
- by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Bharti Airtel

Our audit procedures included the review of relevant working papers of the auditors of Airtel (the "**Bharti Airtel Auditors**"), with particular focus on those related to the goodwill impairment review. We also discussed with Airtel management, Bharti Airtel Auditors and specialists used by them, including those engaged to assist the Bharti Airtel Auditors in evaluating and assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management.

The Group's share of Airtel's results is calculated based on Airtel's audited financial statements on which the Bharti Airtel Auditors have expressed an unmodified opinion.

Contingent liabilities: Share of significant joint ventures' and associate's reported regulatory and tax disputes

The Group's significant joint ventures and associate have operations across a number of jurisdictions including Africa, India, Indonesia, the Philippines and Thailand, and are subject to periodic challenges by local regulators and tax authorities.

Management of these significant joint ventures and associate have engaged and involved specialists to advise them on such disputes as necessary, and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The joint ventures' contingent liabilities have been disclosed in Note 40 to the financial statements.

Our audit procedures included the review of relevant working papers of the auditors of the significant joint ventures and associate (the "**Component Auditors**"), with particular focus on those related to regulatory and tax disputes. We have also discussed with management of these significant joint ventures and associate, and their respective Component Auditors.

We have also reviewed legal advice received by the Component Auditors for certain of the key contingent liabilities that are significant to the Group and assessed the adequacy of disclosure of the contingencies in the financial statements.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the Financial Statements.

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 FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Philip Yuen Ewe Jin.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

17 May 2017"