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 and Australian Stock Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the subsidiaries are disclosed in **Note 47**.

Under a licence granted by the Info-communications Development Authority of Singapore ("**IDA**"), the Group had the exclusive rights to provide fixed national and international telecommunications services through 31 March 2000 (with limited exceptions) and public cellular mobile telephone services through 31 March 1997. From the expiry of the exclusive rights, the Group's licences for these telecommunications services continue on a non-exclusive basis to 31 March 2017.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights from IDA to install, operate and maintain 3G mobile communication systems and services respectively, as well as wireless broadband systems and services. The Group also holds licences from the Media Development Authority of Singapore for the purpose of providing subscription nationwide television services.

In Australia, Optus was granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 14 May 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which are mandatory from 1 April 2012 has no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.2 Group Accounting (Cont'd)

2.2.1 Subsidiaries

Subsidiaries are entities (including special purpose entities) controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence, and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control with one or more parties, and none of the parties involved has unilateral control over the entities' economic activities.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint venture operations is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, 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.

2.2.4 Dividends from associates and joint ventures

Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2 Group Accounting (Cont'd)

2.2.5 Special purpose entity

The Trust has been consolidated in the consolidated financial statements under INT FRS 12, *Consolidation – Special Purpose Entities*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the income statement.

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with re-measurement gain or loss recognised in the income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under SingTel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve – Performance Shares' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 AFS investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

Derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

2.6 Derivative Financial Instruments and Hedging Activities (Cont'd)

2.6.1 Hedge accounting (Cont'd)

Cash flow hedge (Cont'd)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amount accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps related to net investment hedges for the foreign currency exchange risk on its Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current market value of another instrument which is substantially the same or discounted cash flow analysis.

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.7 Fair Value Estimation of Financial Instruments (Cont'd)

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair value of non-current borrowings which are traded in active markets is based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuation provided by service providers or estimated by discounting the future contractual cash flows using a discount rate based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are recognised initially at fair values and, other than those that meet the definition of equity instruments, are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method. Hedged borrowings are accounted for in accordance with the accounting policies set out in **Note 2.6.1**.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve'. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3**.

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to income statement when the entity is disposed of or when the goodwill is impaired.

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 financial years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

Bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Expenditure on telecommunication and spectrum licences is capitalised and amortised using the straight-line method over their estimated useful lives of 12 to 25 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 5 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-financial Assets

Goodwill on acquisition of subsidiaries, which has an indefinite useful life, is subject to annual impairment test or more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have definite 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).

2.16 Impairment of Non-financial Assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at costs less progress payments received and receivable on uncompleted information technology and engineering services, and fibre rollout. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity and associated profits recognised on projects-in-progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Work-in-progress is presented in the consolidated statement of financial position as "Work-in-progress" (as a current asset) or "Excess of progress billings over work-in-progress" (as a current liability) as applicable.

2.18 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 their expected useful lives. Property, plant and equipment under finance leases are depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 10
Other plant and equipment	3 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal installments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and held ready for use.

Costs to acquire computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.18 Property, Plant and Equipment (Cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

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

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

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity Swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged. For device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handsets are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the provision of information technology and engineering services, and fibre rollout are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenue from information technology and engineering services where the services involve substantially the procurement of computer equipment and third party software for installation is recognised upon full completion of the project.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds does 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.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-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 performance share 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 performance shares 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.21 Employees' Benefits (Cont'd)

2.21.3 Share-based compensation (Cont'd)

Performance shares (Cont'd)
The dilutive effects of the SingTel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

Share options
As the share options were granted before 22 November 2002, FRS 102, *Share-based Payment*, is not applicable. No compensation expense is recognised for the outstanding share options under the share option schemes.

The proceeds received, net of any directly attributable transaction costs, from the exercise of share options are credited to 'Share Capital'.

The share options expired in May 2012.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition Costs

Customer acquisition costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

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

2.27 Deferred Taxation

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and laws) enacted or substantively enacted in countries where the Company and subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

Operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following presents a summary of the critical accounting estimates and judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries, and carrying values of associates and joint ventures are stated in **Note 24**.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 27**, although the Company holds 100% of the units in NetLink Trust, the Company does not control but has significant influence in the trust in accordance with FRS 28, *Investments in Associates*. Therefore, NetLink Trust has been accounted for as an associate of the Group.

3.5 Taxation

3.5.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.5.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.6 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 performance shares that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 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 2013, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 42**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

4. OPERATING REVENUE

	Group	
	2013 S$ Mil	2012 S$ Mil
Mobile communications	**7,836.6**	8,145.3
Data and Internet	**3,506.1**	3,577.2
Information technology and engineering		
- infrastructure services and business solutions	**2,023.0**	1,888.7
- fibre rollout	**117.4**	178.4
	2,140.4	2,067.1
National telephone	**1,723.3**	1,850.7
Sale of equipment	**1,485.7**	1,705.6
International telephone	**759.5**	818.1
Pay television	**217.9**	205.2
Digital business	**111.2**	58.7
Others	**402.3**	397.4
Operating revenue	**18,183.0**	18,825.3
Operating revenue	**18,183.0**	18,825.3
Other income (see **Note 6**)	**116.8**	103.2
Interest and investment income (see **Note 10**)	**52.3**	63.7
Total revenue	**18,352.1**	18,992.2

5. OPERATING EXPENSES

	Group 2013 S$ Mil	Group 2012 S$ Mil
Selling and administrative costs [1]	**4,580.1**	4,824.9
Traffic expenses	**2,848.0**	3,092.4
Staff costs	**2,346.6**	2,312.6
Cost of equipment sold	**2,053.3**	2,200.8
Repairs and maintenance	**332.3**	328.8
Other cost of sales	**939.7**	950.3
	13,100.0	13,709.8

Note:

(1) Included mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

5.1 Staff Costs

	Group 2013 S$ Mil	Group 2012 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**215.2**	233.2
Performance share expense		
- equity-settled arrangements	**24.2**	25.8
- cash-settled arrangements	**20.7**	9.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.2 Key Management Personnel Compensation

	Group	
	2013 S$ Mil	**2012 S$ Mil**
Key management personnel compensation (1)		
Executive director (2)	**4.6**	4.9
Other key management personnel (3)	**10.6**	13.1
	15.2	18.0
Directors' fees	**2.0**	2.0
	17.2	20.0

Notes:

(1) Comprise base salary, annual wage supplement, bonus, contributions to defined contribution plans and other cash benefits, but exclude performance share expense disclosed below.

(2) The Group Chief Executive Officer, an executive director of SingTel, was awarded up to 1,392,008 (2012: 1,668,121) ordinary shares of SingTel pursuant to SingTel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$4.3 million (2012: S$3.4 million).

(3) The other key management personnel of the Group comprise the Group Chief Financial Officer, and the Chief Executive Officers of Group Consumer, Group Enterprise and Group Digital L!fe. In the previous financial year ended 31 March 2012, the other key management personnel of the Group comprised members of SingTel's Management Committee.

The other key management personnel were awarded up to 3,026,460 (2012: 3,963,948) ordinary shares of SingTel pursuant to SingTel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$8.0 million (2012: S$7.7 million).

5.3 Share-based Payments

5.3.1 Share options

The Singapore Telecom Share Option Scheme 1999 was suspended with the implementation of the SingTel Executives' Performance Share Plan. The share options granted continued to vest according to the terms and conditions of the scheme and the respective grants.

	Number of share options		Weighted average exercise price per share	
Group and Company	**2013 '000**	**2012 '000**	**2013 S$**	**2012 S$**
Outstanding as at 1 April	**1,499**	8,619	**1.31**	1.48
Cancelled	**(167)**	(598)	**1.31**	1.55
Exercised	**(1,332)**	(6,522)	**1.31**	1.45
Outstanding and exercisable as at 31 March	**-**	1,499	**NA**	1.31

	2013 '000	**2012 '000**
The outstanding share options have the following exercise prices -		
S$1.30 to S$1.49	**-**	1,499
Weighted average remaining validity life	**-**	2.0 months

5.3.2 Performance share plans

Prior to 1 April 2012, two categories of awards – General Awards and Senior Management Awards – were given to selected employees of SingTel and its subsidiaries on an annual basis. The grants are conditional on the achievement of targets set for a three-year performance period. The performance shares will only be released to the recipients at the end of the qualifying performance period. The final number of performance shares will depend on the level of achievement of the targets over the three-year performance period.

The General Awards are generally settled by delivery of SingTel shares, while the Senior Management Awards are settled by SingTel shares or cash, at the option of the recipient.

With effect from 1 April 2012, the General Awards and Senior Management Awards are no longer given. Instead, Restricted Share Awards and Performance Share Awards are given to selected employees of SingTel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of SingTel shares, with the awards for certain senior employees to be settled by SingTel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by SingTel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair value of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

General Awards

The movements of the number of performance shares for the General Awards during the financial year were as follows -

Group and Company 2013	Outstanding as at 1 April 2012 '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant				
<u>SingTel PSP 2003</u>				
<u>FY2010</u> [(1)]				
3 Jun 2009	**18,588**	**(11,540)**	**(7,048)**	**-**
Sep 2009 to Mar 2010	**177**	**(111)**	**(66)**	**-**
<u>FY2011</u>				
3 Jun 2010	**17,769**	**-**	**(836)**	**16,933**
Sep 2010 to Mar 2011	**616**	**-**	**(226)**	**390**
<u>FY2012</u>				
2 Jun 2011	**20,501**	**-**	**(1,099)**	**19,402**
Sep 2011 to Mar 2012	**229**	**-**	**-**	**229**
	57,880	**(11,651)**	**(9,275)**	**36,954**

<u>Note:</u>

(1) "FY2010" denotes financial year ended 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Group and Company 2012	Outstanding as at 1 April 2011 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 March 2012 '000
Date of grant					
FY2009					
4 Jun 2008	12,097	-	(1,484)	(10,613)	-
Sep 2008 to Mar 2009	1,065	-	(133)	(932)	-
FY2010					
3 Jun 2009	19,599	-	-	(1,011)	18,588
Sep 2009 to Mar 2010	191	-	-	(14)	177
FY2011					
3 Jun 2010	18,910	-	-	(1,141)	17,769
Sep 2010 to Mar 2011	696	-	-	(80)	616
FY2012					
2 Jun 2011	-	21,662	(19)	(1,142)	20,501
Sep 2011 to Mar 2012	-	229	-	-	229
	52,558	21,891	(1,636)	(14,933)	57,880

5.3.2 Performance share plans (Cont'd)

The fair values of the significant General Awards at grant date and the assumptions of the fair value model for the equity-settled grants were as follows -

	Date of grant	
	SingTel PSP 2003	
General Awards	**3 June 2010**	**2 June 2011**
Fair value at grant date	S$1.53	S$1.81
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	33.4%	30.3%
MSCI Asia Pacific Telco Index	22.7%	19.3%
MSCI Asia Pacific Telco Component Stocks		
Historical volatility period		
From	July 2001	July 2001
To	June 2010	June 2011
Risk free interest rates		
Yield of Singapore Government Securities on	3 June 2010	2 June 2011

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Senior Management Awards - cash-settled arrangements

The movements of the number of performance shares under the Senior Management Awards, the fair value of the grants at the end of the reporting period and the assumptions of the fair value model for the relevant grants were as follows -

	Date of grant			
	SingTel PSP 2003			Group And Company
2013	**3 June 2009**	**3 June 2010**	**2 June 2011**	
<u>**Senior Management Awards**</u>				
Number of performance shares ('000)				
Outstanding as at 1 April 2012	2,919	3,168	2,922	9,009
Vested	(1,897)	-	-	(1,897)
Cancelled	(1,022)	(20)	-	(1,042)
Outstanding and unvested as at 31 March 2013	-	3,148	2,922	6,070
Fair value at 31 March 2013		S$3.59	S$3.40	
Assumptions under Monte-Carlo Model				
Expected volatility				
SingTel		17.9%	17.9%	
MSCI Asia Pacific Telco Index		11.2%	11.2%	
MSCI Asia Pacific Telco Component Stocks		800 days historical volatility preceding March 2013		
Risk free interest rates				
Yield of Singapore Government Securities on		31 March 2013	31 March 2013	

5.3.2 Performance share plans (Cont'd)

	Date of grant				
	SingTel PSP 2003				Group And Company
2012	**4 June 2008**	**3 June 2009**	**3 June 2010**	**2 June 2011**	
Senior Management Awards					
Number of performance shares ('000)					
Outstanding as at 1 April 2011	1,990	2,919	3,168	-	8,077
Granted	-	-	-	2,922	2,922
Cancelled	(1,990)	-	-	-	(1,990)
Outstanding and unvested as at 31 March 2012	-	2,919	3,168	2,922	9,009
Fair value at 31 March 2012		S$3.12	S$2.45	S$2.75	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			22.1%	22.1%	
MSCI Asia Pacific Telco Index			12.9%	12.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2012		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2012	31 March 2012	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

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	Granted '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant			
FY2013			
26 Jun 2012	**5,561**	**(240)**	**5,321**
Oct 2012 to Mar 2013	**69**	**-**	**69**
	5,630	**(240)**	**5,390**

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	Cash-settled
	26 June 2012	26 June 2012
Fair value at grant date	**S$2.61**	
Fair value at 31 March 2013		**S$3.31**
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	**16.6%**	**12.7%**
MSCI Asia Pacific Telco Index	**7.2%**	**7.7%**
MSCI Asia Pacific Telco Component Stocks	**36 months historical volatility preceding May 2012**	**36 months historical volatility preceding March 2013**
Risk free interest rates		
Yield of Singapore Government Securities on	**30 May 2012**	**31 March 2013**

5.3.2 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	Granted '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant			
FY2013			
26 Jun 2012	7,722	(252)	7,470
Oct 2012 to Mar 2013	157	-	157
	7,879	(252)	7,627

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	Cash-settled
	26 June 2012	26 June 2012
Fair value at grant date	S$1.78	
Fair value at 31 March 2013		S$3.14
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	16.6%	12.7%
MSCI Asia Pacific Telco Index	7.2%	7.7%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2012	36 months historical volatility preceding March 2013
Risk free interest rates		
Yield of Singapore Government Securities on	30 May 2012	31 March 2013

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

5.4 Special Purpose 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 awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Cash at bank	**0.7**	0.8	**0.6**	0.6
Cost of SingTel shares, net of vesting	**39.5**	42.3	**31.1**	32.5
	40.2	43.1	**31.7**	33.1

The details of SingTel shares held by the Trust were as follows -

	Number of shares		Amount	
Group	2013 '000	2012 '000	2013 S$ Mil	2012 S$ Mil
Balance as at 1 April	**13,696**	8,887	**42.3**	27.1
Purchase of SingTel shares	**7,332**	5,798	**24.1**	18.2
Vesting of shares	**(8,718)**	(989)	**(26.9)**	(3.0)
Balance as at 31 March	**12,310**	13,696	**39.5**	42.3

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested SingTel shares is taken to 'Capital Reserve - Performance Shares' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group 2013 S$ Mil	Group 2012 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.2**	1.2
- Deloitte Touche Tohmatsu, Australia	**1.2**	1.2
- Other Deloitte & Touche offices	**0.3**	0.3
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [1]	**0.4**	0.4
- Deloitte Touche Tohmatsu, Australia [1]	**1.3**	0.9
- Other Deloitte & Touche offices	**-**	0.5
Impairment of trade receivables	**170.5**	158.3
Allowance for inventory obsolescence	**17.5**	27.7
Inventory written off	**2.9**	2.8
Provision for liquidated damages and warranties	**0.1**	3.3
Research and development expenses written off	**0.3**	2.8
Operating lease payments for properties and mobile base stations	**378.8**	315.1

Note:

(1) The non-audit fees for the current financial year ended 31 March 2013 included S$0.2 million (2012: S$0.2 million) and S$0.4 million (2012: S$0.4 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services would not affect the independence of the auditors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

6. OTHER INCOME

	Group	
	2013 S$ Mil	2012 S$ Mil
Access fees from network facilities	**51.5**	53.4
Rental income	**5.2**	4.7
Bad trade receivables recovered	**2.6**	3.0
Net foreign exchange losses - trade related	**(7.4)**	(8.9)
Net gains/ (losses) on disposal of property, plant and equipment	**2.1**	(1.1)
Others	**62.8**	52.1
	116.8	103.2

7. DEPRECIATION AND AMORTISATION

	Group	
	2013 S$ Mil	2012 S$ Mil
Depreciation of property, plant and equipment	**1,971.3**	1,875.4
Amortisation of intangible assets	**162.8**	131.4
Amortisation of sale and leaseback income	**(3.7)**	(2.1)
Amortisation of deferred gain on sale of a joint venture	**(3.0)**	(3.1)
	2,127.4	2,001.6

8. EXCEPTIONAL ITEMS

	Group	
	2013 S$ Mil	**2012 S$ Mil**
Exceptional gains		
Net dividend income from a joint venture	**148.8**	-
Gain on sale of AFS investment	**119.2**	-
Net income from legal disputes	**35.8**	-
Net foreign exchange gains on intra-group loans	**-**	28.2
Gain on disposal of a joint venture	**-**	4.7
Gain on dilution of interest in associates and joint ventures	**0.8**	2.7
	304.6	35.6
Exceptional losses		
Loss on disposal of an associate (Warid Telecom (Private) Limited)	**(225.3)**	-
Ex-gratia costs on staff restructuring	**(106.4)**	(23.5)
Impairment of AFS investments	**(11.6)**	(5.5)
Others	**(1.4)**	-
	(344.7)	(29.0)
	(40.1)	6.6

The net dividend income from a joint venture arose from the recognition of the excess of dividends received from Southern Cross Cables Holdings Limited ("**Southern Cross**"), a joint venture in which the Group has an equity interest of 39.99%, over the carrying value of Southern Cross which was equity accounted up to 31 March 2013. With effect from 1 April 2013, equity accounting of Southern Cross is suspended and dividend income from Southern Cross is recognised in the income statement when the right to dividend is established.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2013 S$ Mil	2012 S$ Mil
Share of ordinary profits/ (losses) of		
- joint ventures	**2,066.4**	2,017.1
- associates	**39.4**	(4.6)
	2,105.8	2,012.5
Share of exceptional (losses)/ gains of associates and joint ventures (post-tax) [(1)]	**(82.9)**	19.3
Share of tax of ordinary results		
- joint ventures	**(617.5)**	(590.6)
- associates	**(8.2)**	(9.8)
	(625.7)	(600.4)
	1,397.2	1,431.4

Note:

	2013 S$ Mil	2012 S$ Mil
(1) Share of exceptional (losses)/ gains comprised -		
Share of accelerated depreciation (post-tax)	**(82.9)**	-
Additional quarter of a joint venture's post-tax profit	**-**	54.6
Write-back of provisions made in prior years	**-**	7.2
Reduction of deferred tax asset	**-**	(25.1)
Recognition of additional depreciation and other adjustments	**-**	(5.3)
Others	**-**	(12.1)
	(82.9)	19.3

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2013 S$ Mil	Group 2012 S$ Mil
Interest income from		
- bank deposits	**14.9**	28.4
- others	**31.9**	16.8
	46.8	45.2
Gross dividends from AFS investments	**5.5**	18.5
Other revenue	**52.3**	63.7
Net foreign exchange losses - non-trade related	**(8.4)**	(10.3)
Fair value gains on hedging instruments	**3.0**	0.6
Fair value gains/ (losses) on fair value hedges		
- hedged items	**38.5**	(132.4)
- hedging instruments	**(38.5)**	132.4
	-	-
	46.9	54.0

11. FINANCE COSTS

	Group 2013 S$ Mil	Group 2012 S$ Mil
Interest expense		
- bonds	**264.8**	367.8
- bank loans	**49.5**	36.0
- others	**32.4**	23.8
	346.7	427.6
Less: Amounts capitalised	**(16.8)**	(4.3)
	329.9	423.3
Effects of hedging using interest-rate swaps	**9.2**	(34.9)
Unwinding of discount (including adjustments)	**6.0**	6.3
	345.1	394.7

The interest rate applicable to the capitalised borrowings was 7.6 per cent as at 31 March 2013 (March 2012: 7.6 per cent).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

12. TAXATION

12.1 Tax Expense

	Group 2013 S$ Mil	Group 2012 S$ Mil
Current tax		
- Singapore	**244.9**	313.1
- Overseas	**499.7**	501.2
	744.6	814.3
Deferred tax credit	**(12.0)**	(25.9)
Tax expense attributable to current year's profit	**732.6**	788.4
Recognition of deferred tax credit on other temporary differences [(1)]	**(92.9)**	(121.0)
Recognition of deferred tax credit [(2)]	**-**	(294.0)
Adjustments in respect of prior year [(3)] -		
Current income tax		
- over provision	**(16.5)**	(46.0)
Deferred income tax		
- over provision	**(2.5)**	(2.5)
	620.7	324.9

Notes:

(1) This relates to deferred tax credit recognised on interest expense arising from inter-company loans.

(2) This relates to deferred tax credit recognised on the value of assets transferred to an associate.

(3) This included certain tax credits upon finalisation of earlier years' tax assessments.

12.1 Tax Expense (Cont'd)

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following -

	Group	
	2013 S$ Mil	**2012 S$ Mil**
Profit before tax	**4,131.3**	4,314.4
Less: Share of results of associates and joint ventures	**(1,397.2)**	(1,431.4)
	2,734.1	2,883.0
Tax calculated at tax rate of 17 per cent (2012: 17 per cent)	**464.8**	490.1
Effects of -		
Different tax rates of other countries	**258.0**	277.2
Income not subject to tax	**(60.1)**	(20.9)
Expenses not deductible for tax purposes	**78.3**	41.4
Deferred tax asset not recognised	**2.5**	2.1
Deferred tax asset previously not recognised now recognised	**(8.0)**	(0.2)
Others	**(2.9)**	(1.3)
Tax expense attributable to current year's profit	**732.6**	788.4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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 - 2013 **Deferred tax assets**	**Provisions** **S$ Mil**	**TWDV [(1)] in excess of NBV [(2)] of depreciable assets** **S$ Mil**	**Tax losses and unutilised capital allowances** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2012	**81.9**	**359.7**	**0.1**	**532.2**	**973.9**
Acquisiton of subsidiaries	**-**	**-**	**20.1**	**2.7**	**22.8**
Credited/ (Charged) to income statement	**100.9**	**(29.7)**	**-**	**(3.9)**	**67.3**
Credited to other comprehensive income	**-**	**-**	**-**	**7.4**	**7.4**
Transfer to current tax	**(102.2)**	**(2.1)**	**-**	**(7.4)**	**(111.7)**
Translation differences	**0.8**	**(3.8)**	**0.3**	**(1.9)**	**(4.6)**
Balance as at 31 March 2013	**81.4**	**324.1**	**20.5**	**529.1**	**955.1**

Group - 2013 **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 2012	**(239.8)**	**(5.3)**	**(9.6)**	**(254.7)**
Acquisition of subsidiaries	**-**	**-**	**(68.3)**	**(68.3)**
(Charged)/ Credited to income statement	**(0.7)**	**-**	**28.2**	**27.5**
Transfer from current tax	**(15.0)**	**-**	**-**	**(15.0)**
Translation differences	**-**	**-**	**1.2**	**1.2**
Balance as at 31 March 2013	**(255.5)**	**(5.3)**	**(48.5)**	**(309.3)**

12.2 Deferred Taxes (Cont'd)

Group - 2012 Deferred tax assets	Provisions S$ Mil	TWDV [(1)] in excess of NBV [(2)] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2011	134.2	420.3	2.3	218.3	775.1
Credited/ (Charged) to income statement	125.9	(62.6)	-	327.4	390.7
Charged to other comprehensive income	-	-	-	(13.1)	(13.1)
Transfer to current tax	(178.3)	-	(2.2)	(0.5)	(181.0)
Translation differences	0.1	2.0	-	0.1	2.2
Balance as at 31 March 2012	81.9	359.7	0.1	532.2	973.9

Group - 2012 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 2011	(289.6)	(5.2)	(11.6)	(306.4)
Credited/ (Charged) to income statement	50.8	(0.1)	2.0	52.7
Transfer from current tax	(1.2)	-	-	(1.2)
Translation differences	0.2	-	-	0.2
Balance as at 31 March 2012	(239.8)	(5.3)	(9.6)	(254.7)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.2 Deferred Taxes (Cont'd)

Company - 2013 Deferred tax assets	Provisions S$ Mil	Deferred sale and leaseback income S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2012	**0.6**	**0.2**	**1.6**	**2.4**
Charged to income statement	**(0.1)**	**(0.2)**	**-**	**(0.3)**
Balance as at 31 March 2013	**0.5**	**-**	**1.6**	**2.1**

Company - 2013 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2012	**(137.6)**	**(137.6)**
Credited to income statement	**38.6**	**38.6**
Transfer from current tax	**(17.1)**	**(17.1)**
Balance as at 31 March 2013	**(116.1)**	**(116.1)**

Company - 2012 Deferred tax assets	Provisions S$ Mil	Deferred sale and leaseback income S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2011	0.6	0.5	2.0	3.1
Charged to income statement	-	(0.3)	(0.4)	(0.7)
Balance as at 31 March 2012	0.6	0.2	1.6	2.4

Company - 2012 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2011	(180.9)	(180.9)
Credited to income statement	44.5	44.5
Transfer from current tax	(1.2)	(1.2)
Balance as at 31 March 2012	(137.6)	(137.6)

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.

12.2 Deferred Taxes (Cont'd)

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

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Deferred tax assets	**945.2**	963.0	**-**	-
Deferred tax liabilities	**(299.4)**	(243.8)	**(114.0)**	(135.2)
	645.8	719.2	**(114.0)**	(135.2)

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 2013, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$72 million (2012: S$88 million), unutilised investment allowances of S$54 million (2012: S$57 million), unutilised capital tax losses of S$114 million (2012: S$138 million) and unabsorbed capital allowances of approximately S$8.0 million (2012: S$0.7 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2013 S$ Mil	2012 S$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**134.6**	145.5
Unutilised capital tax losses	**114.3**	137.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

13. EARNINGS PER SHARE

	Group	
	2013 '000	2012 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**15,932,143**	15,928,847
Adjustment for dilutive effect of share options	**-**	2,324
Adjustment for dilutive effects of performance share plans	**43,448**	40,769
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,975,591**	15,971,940

Note:

(1) Adjusted to exclude the number of performance shares held by the Trust.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the share options and 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.

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	
	2013 S$ Mil	2012 S$ Mil
Revenue		
Subsidiaries of ultimate holding company		
Telecommunications	**129.3**	133.1
Rental and maintenance	**29.8**	29.9
Information technology and engineering	**2.0**	2.4
Associates and joint ventures		
Telecommunications	**44.7**	36.2
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**85.4**	85.2
Utilities	**116.9**	101.7
Associates and joint ventures		
Telecommunications	**48.5**	56.6
Transmission capacity	**19.2**	31.6
Postal	**9.4**	10.0
Due from subsidiaries of ultimate holding company	**18.0**	24.5
Due to subsidiaries of ultimate holding company	**4.3**	17.3

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Fixed deposits	**526.5**	640.3	**67.0**	165.0
Cash and bank balances	**384.5**	706.1	**100.8**	89.4
	911.0	1,346.4	**167.8**	254.4

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
USD	**111.1**	227.7	**64.8**	172.2
AUD	**6.1**	6.0	**5.7**	5.3
JPY	**3.7**	9.4	**3.7**	9.2

The maturities of the fixed deposits were as follows -

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Less than three months	**460.7**	637.9	**62.0**	165.0
Over three months	**65.8**	2.4	**5.0**	-
	526.5	640.3	**67.0**	165.0

As at 31 March 2013, the weighted average effective interest rates of the fixed deposits of the Group and Company were 1.6 per cent (2012: 1.1 per cent) and 0.4 per cent (2012: 1.5 per cent) respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 38.3**.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Trade receivables	**3,065.7**	3,154.3	**503.0**	529.2
Less: Allowance for impairment of trade receivables	**(318.3)**	(288.8)	**(75.6)**	(83.2)
	2,747.4	2,865.5	**427.4**	446.0
Other receivables	**234.4**	262.2	**15.2**	23.4
Loans to subsidiaries	**-**	-	**135.2**	121.7
Less: Allowance for impairment of loans due	**-**	-	**(12.9)**	(12.9)
	-	-	**122.3**	108.8
Amount due from subsidiaries				
- trade	**-**	-	**1,002.4**	823.3
- non-trade	**-**	-	**661.6**	889.5
Less: Allowance for impairment of amount due	**-**	-	**(45.7)**	(45.7)
	-	-	**1,618.3**	1,667.1
Amount due from associates and joint ventures				
- trade	**6.5**	9.0	**1.2**	1.1
- non-trade	**139.5**	115.3	**-**	-
	146.0	124.3	**1.2**	1.1
Prepayments	**343.4**	373.5	**30.6**	63.7
Amount due from an associate for fibre rollout	**120.3**	206.5	**120.3**	206.5
Interest receivable	**79.2**	82.5	**39.2**	40.3
Staff loans	**-**	0.1	**-**	-
Others	**9.3**	12.4	**0.3**	4.3
	3,680.0	3,927.0	**2,374.8**	2,561.2

As at 31 March 2013, the effective interest rate of an amount due from a subsidiary of S$501.9 million (2012: S$752.1 million) was 0.01 per cent (2012: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms, and certain balances in respect of information technology and engineering services are on 90-day terms.

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16. TRADE AND OTHER RECEIVABLES (Cont'd)

The maximum exposure to credit risk for trade receivables by type of customer is as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Individuals	**922.8**	697.8	**157.3**	147.6
Corporations and others	**1,824.6**	2,167.7	**270.1**	298.4
	2,747.4	2,865.5	**427.4**	446.0

The age analysis of trade receivables before allowance for impairment is as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Not past due or less than 60 days overdue	**2,549.6**	2,657.9	**358.0**	369.4
Past due				
- 61 to 120 days	**223.9**	256.7	**38.1**	89.3
- more than 120 days	**292.2**	239.7	**106.9**	70.5
	3,065.7	3,154.3	**503.0**	529.2

Based on historical collections experience, the Group believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

The movement in the allowance for impairment of trade receivables is as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Balance as at 1 April	**288.8**	280.5	**83.2**	75.9
Allowance for impairment	**203.9**	197.4	**33.0**	33.6
Utilisation of allowance for impairment	**(140.8)**	(149.8)	**(27.2)**	(26.3)
Write-back	**(33.4)**	(39.1)	**(13.4)**	-
Translation differences	**(0.2)**	(0.2)	**-**	-
Balance as at 31 March	**318.3**	288.8	**75.6**	83.2

17. ASSET HELD FOR SALE

The 'Asset held for sale' as at 31 March 2012 comprised the Group's 3.98% equity interest in Far EasTone Telecommunications Co., Ltd in Taiwan, which was divested in April 2012.

18. INVENTORIES

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Equipment held for resale	**187.7**	178.3	**2.0**	1.7
Maintenance and capital works' inventories	**20.7**	27.0	**20.4**	26.6
Work-in-progress for fibre rollout	**5.3**	2.8	**5.3**	2.8
	213.7	208.1	**27.7**	31.1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. PROPERTY, PLANT AND EQUIPMENT

Group - 2013	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 2012	27.5	248.5	791.6	19,110.0	3,174.1	6,843.2	948.0	31,142.9
Additions (net of rebates)	-	0.2	6.3	148.6	52.4	204.9	1,738.2	2,150.6
Disposals/ Write-offs	-	-	(57.3)	(1,397.8)	(306.8)	(1,602.8)	-	(3,364.7)
Acquisition of subsidiaries	-	0.2	-	59.2	-	1.7	-	61.1
Reclassifications/ Adjustments	-	-	60.7	832.1	67.2	551.1	(1,511.1)	-
Translation differences	(0.2)	(0.1)	(2.8)	(146.1)	(16.1)	(60.5)	(2.2)	(228.0)
Balance as at 31 March 2013	27.3	248.8	798.5	18,606.0	2,970.8	5,937.6	1,172.9	29,761.9
Accumulated depreciation								
Balance as at 1 April 2012	-	56.2	302.1	11,983.6	2,251.5	4,943.4	-	19,536.8
Depreciation charge for the year	-	4.0	18.7	1,144.2	186.5	617.9	-	1,971.3
Disposals/ Write-offs	-	-	(56.6)	(1,389.9)	(306.3)	(1,598.1)	-	(3,350.9)
Translation differences	-	(0.1)	(1.0)	(89.9)	(10.0)	(46.5)	-	(147.5)
Balance as at 31 March 2013	-	60.1	263.2	11,648.0	2,121.7	3,916.7	-	18,009.7
Accumulated impairment								
Balance as at 1 April 2012	-	2.0	7.3	8.4	5.2	3.2	-	26.1
Impairment charge for the year	-	-	-	-	-	1.4	-	1.4
Disposals	-	-	-	-	-	(0.2)	-	(0.2)
Balance as at 31 March 2013	-	2.0	7.3	8.4	5.2	4.4	-	27.3
Net Book Value as at 31 March 2013	27.3	186.7	528.0	6,949.6	843.9	2,016.5	1,172.9	11,724.9

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

Group - 2012	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 2011	27.4	248.5	774.7	17,871.0	3,113.0	6,316.6	793.0	29,144.2
Additions (net of rebates)	-	-	0.1	238.4	44.4	180.5	1,933.5	2,396.9
Disposals/ Write-offs	-	-	(19.1)	(253.8)	(105.4)	(93.0)	-	(471.3)
Reclassifications/ Adjustments	-	-	34.6	1,198.7	117.6	418.8	(1,780.2)	(10.5)
Translation differences	0.1	-	1.3	55.7	4.5	20.3	1.7	83.6
Balance as at 31 March 2012	27.5	248.5	791.6	19,110.0	3,174.1	6,843.2	948.0	31,142.9
Accumulated depreciation								
Balance as at 1 April 2011	-	52.2	294.1	10,875.4	2,165.9	4,617.9	-	18,005.5
Depreciation charge for the year	-	4.0	19.7	1,270.4	187.8	393.5	-	1,875.4
Disposals/ Write-offs	-	-	(11.8)	(194.6)	(104.2)	(83.5)	-	(394.1)
Translation differences	-	-	0.1	32.4	2.0	15.5	-	50.0
Balance as at 31 March 2012	-	56.2	302.1	11,983.6	2,251.5	4,943.4	-	19,536.8
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.3	8.5	5.2	3.2	-	26.2
Disposals	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.3	8.4	5.2	3.2	-	26.1
Net Book Value as at 31 March 2012	27.5	190.3	482.2	7,118.0	917.4	1,896.6	948.0	11,580.0

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

Company - 2013	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 2012	0.4	212.5	424.6	2,949.7	1,047.8	1,091.4	329.0	6,055.4
Additions (net of rebates)	-	-	7.0	136.6	50.3	217.0	18.7	429.6
Disposals/ Write-offs	-	-	-	(81.9)	(61.8)	(45.4)	-	(189.1)
Balance as at 31 March 2013	0.4	212.5	431.6	3,004.4	1,036.3	1,263.0	347.7	6,295.9
Accumulated depreciation								
Balance as at 1 April 2012	-	44.2	222.0	2,058.4	940.4	847.2	-	4,112.2
Depreciation charge for the year	-	2.1	11.9	157.8	48.0	86.4	-	306.2
Disposals/ Write-offs	-	-	-	(79.8)	(61.4)	(42.6)	-	(183.8)
Balance as at 31 March 2013	-	46.3	233.9	2,136.4	927.0	891.0	-	4,234.6
Accumulated impairment								
Balance as at 1 April 2012 and 31 March 2013	-	2.0	7.2	6.9	1.2	0.4	-	17.7
Net Book Value as at 31 March 2013	0.4	164.2	190.5	861.1	108.1	371.6	347.7	2,043.6

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

Company - 2012	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 2011	0.4	212.5	424.7	2,923.4	1,093.7	1,025.4	298.4	5,978.5
Additions (net of rebates)	-	-	1.3	209.5	46.9	109.9	30.6	398.2
Disposals/ Write-offs	-	-	(1.4)	(183.2)	(92.8)	(43.9)	-	(321.3)
Balance as at 31 March 2012	0.4	212.5	424.6	2,949.7	1,047.8	1,091.4	329.0	6,055.4
Accumulated depreciation								
Balance as at 1 April 2011	-	42.0	210.4	2,018.2	984.7	814.6	-	4,069.9
Depreciation charge for the year	-	2.2	11.6	167.4	48.5	73.1	-	302.8
Disposals/ Write-offs	-	-	-	(127.2)	(92.8)	(40.5)	-	(260.5)
Balance as at 31 March 2012	-	44.2	222.0	2,058.4	940.4	847.2	-	4,112.2
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.2	7.0	1.2	0.4	-	17.8
Disposals/ Write-offs	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.2	6.9	1.2	0.4	-	17.7
Net Book Value as at 31 March 2012	0.4	166.3	195.4	884.4	106.2	243.8	329.0	1,925.5

Property, plant and equipment included the following -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Net book value of property, plant and equipment				
- Finance lease obligations	**92.6**	60.1	**26.1**	28.8
- Held for generating operating lease income	**5.6**	5.5	**-**	-
Interest charges capitalised during the year	**16.8**	4.3	**-**	-
Staff costs capitalised during the year	**203.8**	199.1	**12.7**	14.1

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For the financial year ended 31 March 2013

20. INTANGIBLE ASSETS

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Goodwill on acquisition of subsidiaries	**9,699.2**	9,658.1	**-**	-
Telecommunications and spectrum licences	**824.5**	504.7	**1.3**	1.7
Technology and brand	**182.6**	-	**-**	-
Customer relationships and others	**3.1**	11.3	**-**	-
	10,709.4	10,174.1	**1.3**	1.7

20.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2013 S$ Mil	**2012 S$ Mil**
Balance as at 1 April	**9,658.1**	9,657.2
Movements during the year	**41.1**	0.9
Balance as at 31 March	**9,699.2**	9,658.1

20.2 Telecommunications and Spectrum Licences

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Balance as at 1 April	**504.7**	541.5	**1.7**	2.0
Acquisition of subsidiaries	**257.3**	-	**-**	-
Additions	**193.2**	84.4	**-**	-
Amortisation for the year	**(131.1)**	(123.1)	**(0.4)**	(0.3)
Disposals	**(0.1)**	-	**-**	-
Translation differences	**0.5**	1.9	**-**	-
Balance as at 31 March	**824.5**	504.7	**1.3**	1.7
Cost	**1,600.4**	1,156.8	**8.4**	8.4
Accumulated amortisation	**(773.6)**	(649.8)	**(7.1)**	(6.7)
Accumulated impairment	**(2.3)**	(2.3)	**-**	-
Net book value as at 31 March	**824.5**	504.7	**1.3**	1.7

20.3 Technology and Brand

	Group 2013 S$ Mil	Group 2012 S$ Mil
Acquisition of subsidiaries	**203.9**	-
Additions	**3.7**	-
Amortisation for the year	**(23.3)**	-
Translation differences	**(1.7)**	-
Balance as at 31 March	**182.6**	-
Cost	**205.9**	-
Accumulated amortisation	**(23.3)**	-
Net book value as at 31 March	**182.6**	-

20.4 Customer Relationships and Others

	Group 2013 S$ Mil	Group 2012 S$ Mil
Balance as at 1 April	**11.3**	19.6
Additions	**0.2**	-
Amortisation for the year	**(8.4)**	(8.3)
Balance as at 31 March	**3.1**	11.3
Cost	**53.0**	53.0
Accumulated amortisation	**(49.9)**	(41.7)
Net book value as at 31 March	**3.1**	11.3

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For the financial year ended 31 March 2013

21. SUBSIDIARIES

	Company 2013 S$ Mil	Company 2012 S$ Mil
Unquoted equity shares, at cost	**6,874.5**	6,419.9
Shareholders' advances	**6,423.3**	678.3
Deemed investment in a subsidiary	**32.5**	32.5
	13,330.3	7,130.7
Less: Allowance for impairment losses	**(359.2)**	(362.5)
	12,971.1	6,768.2

The advances given to subsidiaries were interest-free except for an amount of S$678.3 million (2012: S$678.3 million) where the effective interest rate at the end of the reporting period was 0.7 per cent (2012: 0.7 per cent) per annum. The advances were unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, SingTel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 47**.

22. ASSOCIATES

	Group 2013 S$ Mil	Group 2012 S$ Mil	Company 2013 S$ Mil	Company 2012 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**172.9**	1,477.2	**567.4**	567.4
Shareholder's loan (unsecured)	**1.7**	1.7	**-**	-
	248.9	1,553.2	**592.1**	592.1
Goodwill on consolidation adjusted against shareholders' equity	**(28.3)**	(28.3)	**-**	-
Share of post acquisition reserves (net of dividends, and accumulated amortisation of goodwill and intangible)	**34.4**	(330.9)	**-**	-
Translation differences	**(27.8)**	(513.0)	**-**	-
	(21.7)	(872.2)	**-**	-
Less: Allowance for impairment losses	**(31.7)**	(468.6)	**-**	-
	195.5	212.4	**592.1**	592.1

As at 31 March 2013,

(i) The market values of the quoted equity shares in associates held by the Group and Company were S$644.6 million (2012: S$516.2 million) and S$615.0 million (2012: S$503.9 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$2.7 million (2012: S$54.6 million).

The details of associates are set out in **Note 47.4**.

22. ASSOCIATES (Cont'd)

The summarised financial information of associates were as follows –

	Group 2013 S$ Mil	Group 2012 S$ Mil
Operating revenue	**1,218.8**	1,413.8
Net profit after tax	**190.7**	26.4
Total assets	**3,674.5**	5,088.8
Total liabilities	**(2,217.7)**	(3,735.2)

23. JOINT VENTURES

	Group 2013 S$ Mil	Group 2012 S$ Mil	Company 2013 S$ Mil	Company 2012 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,798.4	**-**	-
Unquoted equity shares, at cost	**3,801.7**	3,739.3	**24.1**	24.1
	6,600.1	6,537.7	**24.1**	24.1
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**-**	-
Share of post acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**6,948.0**	6,882.2	**-**	-
Translation differences	**(2,601.2)**	(2,195.9)	**-**	-
	3,120.9	3,460.4	**-**	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**-**	-
	9,691.0	9,968.1	**24.1**	24.1

As at 31 March 2013,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$13.39 billion (2012: S$12.13 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$1.78 billion (2012: S$1.73 billion).

(iii) The Group's shares representing 24.8% (2012: 24.8%) equity interest in a joint venture are placed in an escrow account under a deed of undertaking whereby under certain events of default, the joint venture partner could be entitled to these shares.

The details of joint ventures are set out in **Note 47.5**.

Optus holds a 31.25% (2012: 31.25%) interest in an unincorporated joint venture to maintain an optical fibre submarine cable between Western Australia and Indonesia.

In addition, Optus has an interest in an unincorporated joint venture to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2012: 50%) in the assets, with access to the shared network and shares 50% (2012: 50%) of the cost of building and operating the network.

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23. JOINT VENTURES (Cont'd)

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint ventures of S$421.2 million (2012: S$450.9 million).

The Group's share of certain items in the income statements and statements of financial position of the joint ventures were as follows –

	Group 2013 S$ Mil	Group 2012 S$ Mil
Operating revenue	**11,235.6**	11,019.9
Operating expenses	**(6,824.8)**	(6,524.6)
Net profit before tax	**1,952.7**	2,088.9
Net profit after tax	**1,366.0**	1,445.8
Non-current assets	**15,248.4**	15,929.8
Current assets	**3,565.8**	3,048.8
Current liabilities	**(5,263.6)**	(5,630.0)
Non-current liabilities	**(6,417.7)**	(6,181.3)
Net assets	**7,132.9**	7,167.3

24. IMPAIRMENT REVIEWS

24.1 Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2013 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**").

From 1 April 2012, the Group is restructured into three business segments, Group Consumer, Group Enterprise and Group Digital L!fe. Accordingly, the goodwill of Optus was allocated to the new business segments. Based on the relative fair value approach, the goodwill of Optus was fully allocated to the Consumer Australia segment for the purpose of goodwill impairment test.

Group	2013 S$ Mil	2012 S$ Mil	Terminal growth rate (1) 2013	2012	Pre-tax discount rate 2013	2012
Carrying value of goodwill in -						
- Optus Group	**9,318.2**	9,575.9	**3.0%**	4.0%	**10.1%**	12.9%
- SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**7.2%**	8.5%
- Amobee Inc. and Pixable Inc.	**298.9**	-	**2.0% to 3.0%**	-	**16.3% to 16.5%**	-

Note:

(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

24.1 Goodwill arising on acquisition of subsidiaries (Cont'd)

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods of five to fifteen years. The Group has used fifteen years cash flow projections for Amobee Inc. and Pixable Inc., given that they are at start-up phases of their businesses. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

As at 31 March 2013, no impairment charge was required for goodwill on acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24.2 Carrying values (including goodwill) of associates and joint ventures

The Group divested its investment in Warid Telecom (Private) Limited ("**Warid Pakistan**") in March 2013 and the Group's carrying value of Pacific Bangladesh Telecom Limited ("**PBTL**") was nil since 31 March 2012.

25. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Balance as at 1 April	**148.7**	309.1	**41.7**	38.6
Additions	**56.0**	86.2	**-**	-
Disposals	**(7.4)**	(1.0)	**-**	-
Provision for impairment	**(11.6)**	(5.5)	**-**	-
Utilisation of provision for impairment	**5.6**	0.9	**-**	-
Net fair value gains included in 'Other Comprehensive Income'	**49.1**	92.6	**24.7**	3.1
Reclassified to 'Asset held for sale'	**-**	(334.1)	**-**	-
Translation	**-**	0.5	**-**	-
Balance as at 31 March	**240.4**	148.7	**66.4**	41.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

25. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS (Cont'd)

AFS investments included the following –

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Quoted equity securities				
- Thailand	**46.0**	21.8	**46.0**	21.8
- Singapore and United States	**43.9**	9.5	**10.3**	9.4
	89.9	31.3	**56.3**	31.2
Unquoted				
Equity securities	**105.1**	82.7	**10.1**	10.5
Others	**45.4**	34.7	**-**	-
	150.5	117.4	**10.1**	10.5
	240.4	148.7	**66.4**	41.7

26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Balance as at 1 April	**(430.2)**	(1,517.3)	**(203.6)**	(1,208.5)
Fair value (losses)/ gains				
- included in income statement	**(36.1)**	131.9	**7.6**	62.0
- included in 'Hedging Reserve'	**(6.4)**	39.7	**34.3**	20.9
- included in 'Currency Translation Reserve'	**-**	(5.1)	**-**	-
Settlement of swaps for bonds repaid	**-**	922.0	**-**	922.0
Translation differences	**2.2**	(1.4)	**-**	-
Balance as at 31 March	**(470.5)**	(430.2)	**(161.7)**	(203.6)
Disclosed as -				
Current asset	**1.1**	2.9	**3.2**	5.1
Non-current asset	**131.0**	98.2	**247.1**	157.5
Current liability	**(14.8)**	(23.0)	**(5.2)**	(9.8)
Non-current liability	**(587.8)**	(508.3)	**(406.8)**	(356.4)
	(470.5)	(430.2)	**(161.7)**	(203.6)

26.1 Fair Values

The fair values of the currency and interest rate swap contracts excluded the accrued interest of S$19.0 million (2012: S$18.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 29**.

The fair value adjustments of the derivative financial instruments were as follows -

	Group		Company	
	Fair value adjustments		Fair value adjustments	
2013	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	**79.1**	**347.9**	**-**	**141.3**
Interest rate swaps	**51.9**	**226.6**	**-**	**9.5**
Forward foreign exchange	**1.1**	**12.7**	**0.6**	**2.5**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**-**	**-**	**140.6**	**140.6**
Interest rate swaps	**-**	**15.3**	**108.5**	**117.4**
Forward foreign exchange	**-**	**0.1**	**0.6**	**0.7**
	132.1	**602.6**	**250.3**	**412.0**
Disclosed as -				
Current	**1.1**	**14.8**	**3.2**	**5.2**
Non-current	**131.0**	**587.8**	**247.1**	**406.8**
	132.1	**602.6**	**250.3**	**412.0**

	Group		Company	
	Fair value adjustments		Fair value adjustments	
2012	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	50.6	355.5	-	179.1
Interest rate swaps	46.9	136.9	-	8.1
Forward foreign exchange	2.9	20.1	2.5	0.6
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	81.6	81.6
Interest rate swaps	0.7	18.8	78.1	90.5
Forward foreign exchange	-	-	0.4	6.3
	101.1	531.3	162.6	366.2
Disclosed as -				
Current	2.9	23.0	5.1	9.8
Non-current	98.2	508.3	157.5	356.4
	101.1	531.3	162.6	366.2

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26.1 Fair Values (Cont'd)

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

The forecasted transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2014, while the forecasted transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 31**.

As at 31 March 2013, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2013	**2012**	**2013**	**2012**
Interest rate swaps				
Notional principal (S$ million equivalent)	**4,336.7**	4,908.1	**4,774.1**	5,633.6
Fixed interest rates	**0.5% to 6.2%**	0.5% to 6.2%	**0.5% to 4.5%**	0.5% to 4.5%
Floating interest rates	**1.4% to 3.1%**	1.7% to 4.3%	**0.4% to 1.4%**	0.1% to 1.7%
Cross currency swaps				
Notional principal (S$ million equivalent)	**5,244.6**	5,323.7	**5,520.0**	5,628.9
Fixed interest rates	**1.8% to 7.5%**	1.8% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**0.8% to 4.8%**	0.5% to 6.2%	**0.8% to 2.5%**	0.5% to 2.4%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**705.5**	887.3	**365.0**	462.3

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

26.2 Fair Value Measurements

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(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**).

26.2 Fair Value Measurements (Cont'd)

The following table presents the assets and liabilities measured at fair value as at 31 March 2013 -

Group 2013	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 25**)				
- Quoted equity securities	**89.9**	**-**	**-**	**89.9**
- Unquoted investments	**-**	**-**	**14.1**	**14.1**
	89.9	**-**	**14.1**	**104.0**
Derivative financial instruments (**Note 26.1**)	**-**	**132.1**	**-**	**132.1**
	89.9	**132.1**	**14.1**	**236.1**
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	**-**	**602.6**	**-**	**602.6**
	-	**602.6**	**-**	**602.6**

Group 2012	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 25**)				
- Quoted equity securities	31.3	-	-	31.3
- Unquoted investments	-	-	16.6	16.6
	31.3	-	16.6	47.9
Derivative financial instruments (**Note 26.1**)	-	101.1	-	101.1
	31.3	101.1	16.6	149.0
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	-	531.3	-	531.3
	-	531.3	-	531.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.2 Fair Value Measurements (Cont'd)

Company 2013	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 25**)				
- Quoted equity securities	**56.3**	**-**	**-**	**56.3**
- Unquoted equity securities	**-**	**-**	**10.1**	**10.1**
	56.3	**-**	**10.1**	**66.4**
Derivative financial instruments (**Note 26.1**)	**-**	**250.3**	**-**	**250.3**
	56.3	**250.3**	**10.1**	**316.7**
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	**-**	**412.0**	**-**	**412.0**
	-	**412.0**	**-**	**412.0**

Company 2012	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 25**)				
- Quoted equity securities	31.2	-	-	31.2
- Unquoted equity securities	-	-	10.5	10.5
	31.2	-	10.5	41.7
Derivative financial instruments (**Note 26.1**)	-	162.6	-	162.6
	31.2	162.6	10.5	204.3
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	-	366.2	-	366.2
	-	366.2	-	366.2

Note:

(1) Excluded AFS investments stated at cost of S$136.4 million (2012: S$100.8 million).

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments.

26.2 Fair Value Measurements (Cont'd)

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

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**16.6**	17.1	**10.5**	10.7
Total losses included in 'Other Comprehensive Income'	**(0.8)**	(0.5)	**(0.4)**	(0.2)
Additions	**-**	0.1	**-**	-
Provision for impairment	**(0.1)**	-	**-**	-
Utilisation of provision for impairment	**-**	0.9	**-**	-
Disposals	**(1.6)**	(1.0)	**-**	-
Balance as at 31 March	**14.1**	16.6	**10.1**	10.5

27. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Loan to an associate	**1,330.5**	1,325.0	**1,330.5**	1,325.0
Net deferred gain				
Classified as -				
Current	**57.5**	29.2	**-**	-
Non-current	**1,186.4**	1,060.5	**-**	-
	1,243.9	1,089.7	**-**	-

In July 2011, SingTel established a business trust, NetLink Trust, as part of the IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In September 2011, SingTel sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., a 29.9%-owned associate of SingTel, and 7 exchange buildings ("**Assets**"), and SingTel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust, for an aggregate consideration of approximately S$1.89 billion. SingTel also completed its subscription for a further 567,380,000 units at S$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to SingTel of S$567.4 million and loan from SingTel of S$1.33 billion.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager. SingTel does not have effective control in NetLink Trust, and hence it is equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets and Business recorded by SingTel was deferred in the Group's statement of financial position and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, SingTel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

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27. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN (Cont'd)

The loan to NetLink Trust carries a fixed interest rate and is repayable on 22 April 2014, or extendable beyond 22 April 2014 subject to certain conditions. The loan is secured by a fixed and floating charge over NetLink Trust's assets and business undertakings. Under the loan agreement, unpaid interest are capitalised as part of the loan principal. As at 31 March 2013, the interest capitalised was S$5.5 million (2012: Nil).

As at 31 March 2013, the unamortised gross deferred gain was S$1.58 billion (2012: S$1.66 billion), of which S$336.6 million (2012: S$567.4 million) was applied to the Group's carrying value of NetLink Trust and the remaining S$1.24 billion (2012: S$1.09 billion) was classified as 'Net deferred gain' in the Group's statement of financial position.

28. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Prepayments	**60.3**	65.3	**221.9**	241.4
Other receivables	**149.5**	64.3	**-**	-
	209.8	129.6	**221.9**	241.4

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Trade payables	**2,981.0**	3,205.6	**703.0**	741.3
Accruals	**772.3**	669.8	**116.3**	110.6
Interest payable on borrowings	**112.1**	116.8	**34.4**	36.4
Due to subsidiaries				
- trade	**-**	-	**226.0**	205.4
- non-trade	**-**	-	**667.3**	687.7
	-	-	**893.3**	893.1
Due to associates and joint ventures				
- trade	**61.6**	64.8	**54.5**	59.0
- non-trade	**152.6**	161.3	**151.7**	160.0
	214.2	226.1	**206.2**	219.0
Deferred gain on sale of a joint venture (see **Note 33**)	**3.1**	3.1	**-**	-
Customers' deposits	**27.3**	25.4	**16.0**	14.3
Other deferred income	**34.5**	38.3	**20.5**	17.9
Other payables	**77.4**	86.8	**55.7**	56.0
	4,221.9	4,371.9	**2,045.4**	2,088.6

29. TRADE AND OTHER PAYABLES (Cont'd)

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

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

30. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Balance as at 1 Apr	**3.5**	0.3	**-**	-
Provision	**4.4**	3.3	**4.3**	-
Amount written off against provision	**(2.1)**	(0.1)	**-**	-
Balance as at 31 March	**5.8**	3.5	**4.3**	-

31. BORROWINGS (UNSECURED)

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Current				
Bank loans	**350.0**	105.8	**-**	-
	350.0	105.8	**-**	-
Non-current				
Bonds	**6,243.7**	6,300.8	**856.3**	857.9
Bank loans	**1,086.0**	2,169.6	**-**	-
	7,329.7	8,470.4	**856.3**	857.9
Total unsecured borrowings	**7,679.7**	8,576.2	**856.3**	857.9

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31.1 Bonds

	Group		Company	
Principal amount	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
US$500 million [1][2]	**655.9**	657.3	**-**	-
US$1,300 million [2]	**1,734.3**	1,711.0	**-**	-
US$500 million [2]	**856.3**	857.9	**856.3**	857.9
US$300 million	**372.6**	377.3	**-**	-
€700 million [1] [2]	**1,135.7**	1,185.0	**-**	-
A$75 million [1]	**96.9**	97.9	**-**	-
S$250 million	**250.0**	250.0	**-**	-
S$600 million [2]	**600.0**	600.0	**-**	-
¥10,000 million	**134.3**	153.0	**-**	-
HK$1,450 million	**247.9**	249.7	**-**	-
HK$1,000 million [1]	**159.8**	161.7	**-**	-
Non-current	**6,243.7**	6,300.8	**856.3**	857.9

Notes:

(1) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

(2) The bonds are listed on Singapore Exchange.

31.2 Bank Loans

	Group	
	2013 S$ Mil	2012 S$ Mil
Current	**350.0**	105.8
Non-current	**1,086.0**	2,169.6
	1,436.0	2,275.4

31.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Between one and two years	**1,086.0**	350.0	**-**	-
Between two and five years	**1,274.9**	2,210.2	**-**	-
Over five years	**4,968.8**	5,910.2	**856.3**	857.9
	7,329.7	8,470.4	**856.3**	857.9

31.4 Interest Rates

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

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Bonds (fixed rate)	**3.9**	3.9	**7.4**	7.4
Bonds (floating rate)	**1.5**	1.7	**-**	-
Bank loans (floating rate)	**1.9**	2.1	**-**	-

31.5 Fair Values

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Carrying value				
Bonds	**6,243.7**	6,300.8	**856.3**	857.9
Bank loans	**1,436.0**	2,275.4	**-**	-
Fair value				
Bonds	**6,355.9**	6,356.9	**900.3**	901.8
Bank loans	**1,436.0**	2,275.4	**-**	-

See **Note 2.7** on the basis of estimating the fair values and **Note 26** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

31.6 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	**Less than 1 year S$ Mil**	**Between 1 and 2 years S$ Mil**	**Between 2 and 5 years S$ Mil**	**Over 5 years S$ Mil**
As at 31 March 2013				
Net-settled interest rate swaps	**62.3**	**48.0**	**94.2**	**56.9**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(175.9)**	**(175.8)**	**(514.0)**	**(918.7)**
- Outflow	**167.0**	**169.0**	**538.1**	**696.8**
	53.4	**41.2**	**118.3**	**(165.0)**
Borrowings	**592.5**	**1,309.4**	**1,896.1**	**6,182.7**
	645.9	**1,350.6**	**2,014.4**	**6,017.7**
As at 31 March 2012				
Net-settled interest rate swaps	48.5	45.9	75.1	48.0
Cross currency interest rate swaps (gross-settled)				
- Inflow	(182.2)	(182.2)	(546.2)	(1,109.3)
- Outflow	191.2	188.7	597.2	927.3
	57.5	52.4	126.1	(134.0)
Borrowings	373.4	614.8	2,884.1	7,302.2
	430.9	667.2	3,010.2	7,168.2

Company	**Less than 1 year S$ Mil**	**Between 1 and 2 years S$ Mil**	**Between 2 and 5 years S$ Mil**	**Over 5 years S$ Mil**
As at 31 March 2013				
Net-settled interest rate swaps	**6.8**	**5.5**	**6.3**	**23.8**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(134.2)**	**(134.0)**	**(382.1)**	**(763.2)**
- Outflow	**113.5**	**113.3**	**320.4**	**474.8**
	(13.9)	**(15.2)**	**(55.4)**	**(264.6)**
Borrowings	**45.8**	**45.8**	**137.4**	**1,522.5**
	31.9	**30.6**	**82.0**	**1,257.9**
As at 31 March 2012				
Net-settled interest rate swaps	9.3	7.4	10.8	26.5
Cross currency interest rate swaps (gross-settled)				
- Inflow	(140.4)	(140.4)	(420.4)	(900.9)
- Outflow	118.4	118.1	353.9	568.6
	(12.7)	(14.9)	(55.7)	(305.8)
Borrowings	46.4	46.4	139.1	1,577.0
	33.7	31.5	83.4	1,271.2

32. BORROWINGS (SECURED)

32.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Not later than one year	**58.7**	39.9	**11.6**	11.6
Later than one but not later than five years	**99.7**	85.3	**46.5**	46.5
Later than five years	**647.9**	659.5	**647.9**	659.5
	806.3	784.7	**706.0**	717.6
Less: Future finance charges	**(557.3)**	(567.1)	**(548.5)**	(559.9)
	249.0	217.6	**157.5**	157.7
Classified as -				
Current	**41.8**	25.3	**0.2**	0.2
Non-current	**207.2**	192.3	**157.3**	157.5
	249.0	217.6	**157.5**	157.7

32.2 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Finance lease liabilities	**7.1**	7.3	**7.3**	7.3

32.3 Fair Values

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Carrying value				
Finance lease liabilities	**249.0**	217.6	**157.5**	157.7
Fair value				
Finance lease liabilities	**249.0**	217.6	**157.5**	157.7

The fair value of the finance lease obligations was estimated by discounting the expected future cash flows using current interest rates for liabilities with similar risk profiles.

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For the financial year ended 31 March 2013

33. DEFERRED INCOME

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Dividends from Southern Cross	**-**	370.3	**-**	-
Gain on sale and leaseback arrangements	**-**	3.8	**-**	1.3
Deferred gain on sale of a joint venture	**13.8**	16.7	**-**	-
	13.8	390.8	**-**	1.3
Classified as -				
Current (see **Note 29**)	**3.1**	3.1	**-**	-
Non-current	**10.7**	387.7	**-**	1.3
	13.8	390.8	**-**	1.3

Gain on sale and finance leaseback of certain telecommunications equipment is recognised as income over the lease period of 11 to 16 years.

Deferred gain on sale of a joint venture is recognised as income on a straight-line basis over the remaining useful life of the joint venture's cable system of approximately 10 years.

34. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Performance share liability	**16.4**	11.9	**15.2**	10.8
Other payables	**232.8**	201.6	**9.8**	6.7
	249.2	213.5	**25.0**	17.5

35. SHARE CAPITAL

	2013		2012	
Group and Company	**Number of shares Mil**	**Share capital S$ Mil**	**Number of shares Mil**	**Share capital S$ Mil**
Balance as at 1 April	**15,942.2**	**2,632.2**	15,935.7	2,622.8
Issue of shares under share options	**1.3**	**1.8**	6.5	9.4
Balance as at 31 March	**15,943.5**	**2,634.0**	15,942.2	2,632.2

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.

During the year, the Company issued 1,332,000 (2012: 6,521,600) shares upon the exercise of 1,332,000 (2012: 6,521,600) share options under the 1999 Scheme at exercise price of S$1.31 (2012: between S$1.31 and S$1.56) per share.

The newly issued shares rank pari passu in all respects with the previously issued shares.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% (2012: 55% to 70%) of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under SingTel performance share plans. The Group can also cancel the shares which are re-purchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

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36. DIVIDENDS

	Group		Company	
	2013 S$ Mil	2012 S$ Mil	2013 S$ Mil	2012 S$ Mil
Final ordinary dividend of 9.0 cents (2012: 9.0 cents) per share, paid	**1,434.0**	1,434.3	**1,434.9**	1,435.7
Special dividend of nil cent (2012: 10.0 cents) per share, paid	**-**	1,593.6	**-**	1,594.0
Interim dividend of 6.8 cents (2012: 6.8 cents) per share, paid	**1,083.7**	1,083.5	**1,084.4**	1,084.3
	2,517.7	4,111.4	**2,519.3**	4,114.0

During the financial year, a final one-tier tax exempt ordinary dividend of 9.0 cents per share was paid in respect of the previous financial year ended 31 March 2012, and an interim one-tier tax exempt ordinary dividend of 6.8 cents per share was paid in respect of the current financial year ended 31 March 2013.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.0 cents per share, totalling approximately S$1.59 billion in respect of the current financial year ended 31 March 2013 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.59 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2014.

37. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of AFS investments and borrowings are set out in **Note 26**, **Note 31.5** and **Note 32.3** respectively.

The carrying values of the other financial assets and liabilities approximate their fair values.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 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 2013, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

38.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, Bangladesh, India, Indonesia, Philippines and Thailand. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

38.3 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 2013, after taking into account the effect of interest rate swaps, approximately 76% (2012: 75%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2013, assuming that the market interest rate is 50 basis points higher or lower than the market interest rate and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$12.6 million (2012: S$12.8 million).

38.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

38.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

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For the financial year ended 31 March 2013

38.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

39. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

From 1 April 2012, SingTel Group is restructured into three business segments, namely Group Consumer, Group Enterprise and Group Digital L!fe.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as Group's investments mainly in Advanced Info Service Public Company Limited ("**AIS**") in Thailand, Bharti Airtel Limited ("**Airtel**") in India, Globe Telecom, Inc. ("**Globe**") in the Philippines, PBTL in Bangladesh, PT Telekomunikasi Selular ("**Telkomsel**") in Indonesia, and Warid in Pakistan. It focuses on driving more value from the core carriage business including mobile, residential mio TV, fixed and satellite telecommunications as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services rendered included IT & Engineering, Managed Services, local and international leased circuits, mobile and business mio TV.

Group Digital L!fe focuses on developing new digital growth engines for existing customers and disrupting adjacent industries. It includes e-commerce, concierge and hyper-local services, and mobile advertising.

Corporate represents the costs of the Group function not allocated to the reportable operating segments.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purpose. The performance of each segment includes only transactions external to the Group.

The figures for the previous financial year ended 31 March 2012 were not disclosed as no such information was used by the chief operating decision maker.

39. SEGMENT INFORMATION (Cont'd)

The Group's reportable segments by the three business segments for the financial year ended 31 March 2013 are as follows –

Group - 2013	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital L!fe S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	11,629.7	6,442.1	111.2	-	18,183.0
Operating expenses	(8,389.1)	(4,407.2)	(216.4)	(87.3)	(13,100.0)
Other income	90.0	27.7	1.2	(2.1)	116.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,330.6	2,062.6	(104.0)	(89.4)	5,199.8
Share of pre-tax results of associates and joint ventures					
- Airtel	368.5	-	-	-	368.5
- Telkomsel	1,003.7	-	-	-	1,003.7
- Globe	210.0	-	-	-	210.0
- AIS	437.6	-	-	-	437.6
- Others	(16.6)	-	-	102.6	86.0
	2,003.2	-	-	102.6	2,105.8
EBITDA and share of pre-tax results of associates and joint ventures	5,333.8	2,062.6	(104.0)	13.2	7,305.6
Depreciation and amortisation	(1,423.9)	(665.7)	(41.3)	3.5	(2,127.4)
Earnings before interest and tax ("EBIT")	3,909.9	1,396.9	(145.3)	16.7	5,178.2
Segment assets					
Investment in associates and joint ventures					
- Airtel	4,382.7	-	-	-	4,382.7
- Telkomsel	3,540.7	-	-	-	3,540.7
- Globe	984.3	-	-	-	984.3
- AIS	683.3	-	-	-	683.3
- Others	26.3	-	-	269.2	295.5
	9,617.3	-	-	269.2	9,886.5
Goodwill on acquisition of subsidiaries	9,244.1	156.3	298.8	-	9,699.2
Other assets	10,587.2	5,478.7	479.6	3,852.3	20,397.8
	29,448.6	5,635.0	778.4	4,121.5	39,983.5

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39. SEGMENT INFORMATION (Cont'd)

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

Group - 2013	S$ Mil
EBIT	**5,178.2**
Exceptional items	**(40.1)**
Share of exceptional items of associates and joint ventures	**(82.9)**
Share of tax of associates and joint ventures	**(625.7)**
Profit before interest, investment income (net) and tax	**4,429.5**
Interest and investment income (net)	**46.9**
Finance costs	**(345.1)**
Profit before tax	**4,131.3**

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2013 and 31 March 2012.

As the business segment report for the previous financial year ended 31 March 2012 was not disclosed, the Group continued to disclose the geographical segments for the financial years ended 31 March 2013 and 31 March 2012.

The Group's geographical segments are as follows -

Singapore – represent the services and products provided by SingTel and its subsidiaries (excluding Optus).

Australia – represent the services and products provided by Optus, a wholly-owned subsidiary of the Group domiciled in Australia.

Associates & Joint Ventures ("Assoc & JV") – represent the Group's investments in associates and joint ventures which mainly comprise AIS in Thailand, Airtel in India, Globe in the Philippines, PBTL in Bangladesh, Telkomsel in Indonesia and Warid in Pakistan.

The main services and products provided in both Singapore and Australia are mobile communications, data and Internet, national telephone, information technology and engineering, sale of equipment, international telephone and pay television.

The accounting policies used to derive the segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements.

Segment results represent operating revenue less expenses. Corporate costs represent the costs of the Group function not allocated to the segments.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, and inventories. Assets managed at corporate level include cash and bank balances, fixed deposits and AFS investments.

Segment capital expenditure comprise additions to property, plant and equipment, and intangible assets.

39. SEGMENT INFORMATION (Cont'd)

Group - 2013	Singapore S$ Mil	Australia S$ Mil	Assoc & JV S$ Mil	Corporate/ Elim S$ Mil	Group Total S$ Mil
Operating revenue	6,732.1	11,450.9	-	-	18,183.0
Segment results	1,435.2	1,520.4	-	-	2,955.6
Other income	45.3	71.5	-	-	116.8
Profit before exceptional items	1,480.5	1,591.9	-	-	3,072.4
Exceptional items	(18.9)	(64.7)	-	43.5	(40.1)
Profit on operating activities	1,461.6	1,527.2	-	43.5	3,032.3
Share of results of associates and joint ventures (post-tax)					
- Airtel	-	-	164.1	-	164.1
- Telkomsel	-	-	753.5	-	753.5
- Globe	-	-	67.5	-	67.5
- AIS	-	-	338.4	-	338.4
- Others	-	-	73.7	-	73.7
	-	-	1,397.2	-	1,397.2
Profit before interest, investment income (net) and tax	1,461.6	1,527.2	1,397.2	43.5	4,429.5
Interest and investment income (net)	35.0	11.9	-	-	46.9
Finance costs	(151.7)	(193.4)	-	-	(345.1)
Profit before tax	1,344.9	1,345.7	1,397.2	43.5	4,131.3
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	4,382.7	-	4,382.7
- Telkomsel	-	-	3,540.7	-	3,540.7
- Globe	-	-	984.3	-	984.3
- AIS	-	-	683.3	-	683.3
- Others	-	-	295.5	-	295.5
	-	-	9,886.5	-	9,886.5
Goodwill on acquisition of subsidiaries	381.0	9,318.2	-	-	9,699.2
Other assets	8,379.8	16,692.9	-	(4,674.9)	20,397.8
	8,760.8	26,011.1	9,886.5	(4,674.9)	39,983.5
Capital expenditure	772.5	1,575.2	-	-	2,347.7
Depreciation and amortisation	(666.0)	(1,461.4)	-	-	(2,127.4)

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39. SEGMENT INFORMATION (Cont'd)

Group - 2012	Singapore S$ Mil	Australia S$ Mil	Assoc & JV S$ Mil	Corporate/ Elim S$ Mil	Group Total S$ Mil
Operating revenue	6,550.8	12,274.5	-	-	18,825.3
Segment results	1,514.7	1,599.2	-	-	3,113.9
Other income	36.1	67.1	-	-	103.2
Profit before exceptional items	1,550.8	1,666.3	-	-	3,217.1
Exceptional items	(0.8)	(23.5)	-	30.9	6.6
Profit on operating activities	1,550.0	1,642.8	-	30.9	3,223.7
Share of results of associates and joint ventures (post-tax)					
- Airtel	-	-	351.0	-	351.0
- Telkomsel	-	-	665.1	-	665.1
- Globe	-	-	130.8	-	130.8
- AIS	-	-	278.5	-	278.5
- Others	-	-	6.0	-	6.0
	-	-	1,431.4	-	1,431.4
Profit before interest, investment income (net) and tax	1,550.0	1,642.8	1,431.4	30.9	4,655.1
Interest and investment income (net)	31.9	22.1	-	-	54.0
Finance costs	(196.1)	(198.6)	-	-	(394.7)
Profit before tax	1,385.8	1,466.3	1,431.4	30.9	4,314.4
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	4,727.6	-	4,727.6
- Telkomsel	-	-	3,392.2	-	3,392.2
- Globe	-	-	1,028.1	-	1,028.1
- AIS	-	-	630.4	-	630.4
- Others	-	-	402.2	-	402.2
	-	-	10,180.5	-	10,180.5
Goodwill on acquisition of subsidiaries	81.9	9,576.2	-	-	9,658.1
Other assets	8,474.6	17,079.5	-	(4,975.1)	20,579.0
	8,556.5	26,655.7	10,180.5	(4,975.1)	40,417.6
Capital expenditure	882.2	1,599.1	-	-	2,481.3
Depreciation and amortisation	(577.3)	(1,424.3)	-	-	(2,001.6)

40. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Not later than one year	**486.7**	496.4	**72.5**	102.2
Later than one but not later than five years	**1,096.3**	1,239.7	**301.7**	291.6
Later than five years	**1,564.9**	1,620.3	**682.4**	715.9
	3,147.9	3,356.4	**1,056.6**	1,109.7

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$40.9 million (2012: S$39.5 million) per annum under those contracts. The operating lease payments under these contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

41. COMMITMENTS

41.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 41.2**, were as follows -

	Group		Company	
	2013 S$ Mil	**2012 S$ Mil**	**2013 S$ Mil**	**2012 S$ Mil**
Authorised and contracted for	**924.3**	1,725.7	**243.0**	181.7

The above included commitments to purchase capacity in the cable network of a joint venture of S$41 million (2012: S$54 million) and equity funding commitments of nil (2012: S$769 million).

41.2 As at 31 March 2013, the Group's commitments for the purchase of broadcasting program rights were S$586 million (2012: S$219 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

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42. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) <u>Guarantees</u>

As at 31 March 2013,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$730.1 million and S$473.1 million (2012: S$572.8 million and S$413.2 million) respectively.

(ii) The Company provided guarantees for loans of S$950 million (2012: S$1.55 billion) drawn down under various loan facilities entered into by SGT with maturities between November 2013 and June 2014. The Company also provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$3.28 billion (2012: S$3.28 billion) due between July 2016 and September 2021. The total guaranteed amount of $4.23 billion (2012: $4.83 billion) represents the maximum amount that the Company can be called on under the financial guarantee contracts.

(b) SingTel is in dispute with OpenNet Pte Ltd, an associated company in which the Group has 30% equity interest, with respect to SingTel's contractual obligations as a key sub-contractor under various agreements between the parties. Parties are in discussions to manage the dispute matters through the resolution process under the agreements.

(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.

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Airtel, a 32.3% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DoT**") issued a demand on Airtel Group for Rs. 52.01 billion (SingTel's share: S$384 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (SingTel's share: S$67 million) for holding GSM spectrum beyond 6.2 MHz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (SingTel's share: S$317 million) for GSM spectrum held beyond 4.4 MHz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

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

As at 31 March 2013, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately INR 64.9 billion (SingTel's share: S$480 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Nigeria B.V. ("**ANBV**"), a 100% owned indirect subsidiary of Airtel, has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders agreement between EWL and former shareholders of ANL in 2006. ANL and ANBV have filed appeals in the Nigerian Court of Appeals on both matters.

Airtel is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of seller's indemnities in respect of such matters.

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

(b) The Group holds an equity interest of 23.3% in AIS.

Revenue share disputes arising from abolishment of excise tax

In January 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded additional payments of revenue share from AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively.

CAT had submitted its case against DPC to arbitration and the Arbitral Tribunal has dismissed CAT's case against DPC on 1 March 2011. On 3 June 2011, CAT began proceedings to appeal against the Arbitral Tribunal's decision in the Central Administrative Court.

On 20 May 2011, the Arbitral Tribunal dismissed TOT's claim against AIS for additional revenue share. On 22 September 2011, TOT submitted its case to the Central Administrative Court to appeal against the Arbitral Tribunal's award.

TOT's demand for additional revenue share

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel's share: S$176 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

TOT's demand for access charge

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (SingTel's share: S$29 million) plus interest. This case is pending.

AIS' management believes that the case has no material impact to its financial statements because DPC has correctly and fully complied with the law and the relevant agreements in all respects.

(c) Globe, a 47.3% 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 the Globe Group's financial position and results of operations.

(d) The Group holds an equity interest of 35% in Telkomsel.

PT Prima Jaya Informatika's bankruptcy petition against Telkomsel

Following the dispute between Telkomsel and PT Prima Jaya Informatika ("**PT Prima**"), a Telkomsel's distributor of pulse reload vouchers under a distribution agreement by both parties, the Jakarta Commercial Court at the Central Jakarta District Court accepted the bankruptcy petition against Telkomsel filed by PT Prima based on its verdict on 14 September 2012. The bankruptcy petition was filed by PT Prima on the basis of:

- PT Prima's claim on overdue receivable from Telkomsel amounted to IDR 5.26 billion (SingTel's share: S$0.2 million) which represents the value of undelivered pulse reload vouchers based on orders covered by purchase orders; and
- receivable of another company from Telkomsel

Telkomsel has contested PT Prima's claim and stated that Telkomsel's payable to the other company has been fully repaid. Besides, PT Prima has no right to claim receivable from Telkomsel, considering that PT Prima has not made any payment to Telkomsel on its orders. PT Prima has also breached the terms and conditions as stipulated in the above-mentioned agreement. Therefore, the requirement for a bankruptcy petition should have not been met.

The decision of the Jakarta Commercial Court at the Central Jakarta District Court was not in the favor of Telkomsel.

Telkomsel has taken necessary actions and legal remedy, and challenged the above court decision by filing an appeal to the Supreme Court on 21 September 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

On 21 November 2012, the Supreme Court granted Telkomsel's appeal and refused the bankruptcy petition from PT Prima. Telkomsel has received the formal verdict from the District Court of Central Jakarta on 10 January 2013.

On 31 January 2013, Telkomsel was notified by the court that PT Prima has applied for civil review to the Supreme Court on 29 January 2013. Telkomsel filed its contra memorandum on 7 February 2013. The decision from the Supreme Court is pending.

Tax disputes

As at 31 March 2013, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 1,170 billion (SingTel's share: S$52 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

44. SALE OF WARID TELECOM (PRIVATE) LIMITED ("WARID PAKISTAN")

On 15 March 2013, the Group completed the sale of its entire 30% equity interest in Warid Pakistan. Following the completion, SingTel has been released from all its obligations in relation to Warid Pakistan's loan facilities. Under the terms of the sale, SingTel has rights to receive 7.5% share of the net proceeds from any future sale, public offering or merger of Warid Pakistan upon realisation.

45. SUBSEQUENT EVENT

On 3 May 2013, Airtel announced the sale of 5% stake to the Qatar Foundation Endowment for INR 68 billion (US$1.26 billion). SingTel's shareholding in Airtel will consequently be changed from 32.34% to 30.72%.

46. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

Certain new or revised FRS and INT FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2013.

(a) FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*
FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12, *Consolidation - Special Purpose Entities*. FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. FRS 27 remains as a standard applicable only to separate financial statements. These will take effect from financial year beginning on 1 April 2014 with full retrospective application.

(b) FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*
FRS 111 supersedes FRS 31, *Interests in Joint Ventures*, and INT FRS 13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The joint venturer should use the equity method under the revised FRS 28 to account for a joint venture. These will take effect from financial year beginning on 1 April 2014 with full retrospective application.

(c) FRS 112 *Disclosure of Interests in Other Entities*
FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities, and will take effect from financial year beginning on 1 April 2014.

(d) FRS 113 *Fair Value Measurement*
FRS 113 replaces the guidance on fair value measurement and related disclosures in other standards with a common fair value definition and hierarchy applicable to fair value measurement of assets, liabilities and an entity's own equity instruments within its scope. It requires an entity to provide more extensive disclosures including quantitative and qualitative disclosures based on the three-level fair value hierarchy for assets and liabilities, which is currently required only for financial instruments under FRS 107, *Financial Instruments: Disclosures*. This standard took effect from financial year beginning on 1 April 2013.

The new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group and the Company in the period of initial application.

47. 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, associates and joint ventures as at 31 March 2013 and 31 March 2012.

47.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	**2012 %**
1.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	100
2.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
3.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
4.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
5.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
6.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
7.	Singapore Telecom Mobile Pte Ltd	Investment holding	**100**	100
8.	SingNet Pte Ltd	Provision of internet access services	**100**	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
10.	SingTel Group Treasury Pte. Ltd.	Provision of finance and treasury services to SingTel and its subsidiaries	**100**	100
11.	SingTel Idea Factory Pte. Ltd.	Engaged in research and development, products and services development and business partnership	**100**	100
12.	SingTel Innov8 Pte. Ltd.	Venture capital investment holding	**100**	100
13.	SingTel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	100
14.	SingTelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100

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For the financial year ended 31 March 2013

47.1 Significant subsidiaries incorporated in Singapore (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	**2012 %**
15.	SingTel Singapore Pte. Ltd.	Investment holding and provision of business and management consultancy services	**100**	100
16.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
17.	Subsea Network Services Pte Ltd	Provision of storage facilities for submarine cables and related equipment	**100**	100
18.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
19.	SingTel Digital Media Pte Ltd	Development and management of on-line internet portal	**95.6**	95.6
20.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment	**100**	100

47.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	**2012 %**
1.	Alphawest Services Pty Ltd (1)	Provision of information technology services	**100**	100
2.	Cable & Wireless Optus Satellites Pty Limited (1)	C1 Satellite contracting party	**100**	100
3.	Eatability Pty Limited	Provision of restaurant review portal and advertisements	**100**	-
4.	Inform Systems Australia Pty Ltd (1)	Provision of information technology services	**100**	100
5.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100

47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
6.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	**100**	100
7.	Optus Backbone Investments Pty Limited	Investment in telecommunications network infrastructure in Australia	**100**	100
8.	Optus Billing Services Pty Limited (*)	Provision of billing services to the Optus Group	**100**	100
9.	Optus Broadband Pty Limited (1)	Provision of high speed residential internet service	**100**	100
10.	Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100
11.	Optus Finance Pty Limited (1)	Provision of financial services to the Optus Group	**100**	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
13.	Optus Internet Pty Limited (1)	Provision of internet services to retail customers	**100**	100
14.	Optus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
15.	Optus Narrowband Pty Limited (*)	Provision of narrowband portal content services	**100**	100
16.	Optus Networks Investments Pty Ltd (*) (1)	Investment holding	**100**	100
17.	Optus Networks Pty Limited (1)	Provision of telecommunications services	**100**	100
18.	Optus Rental & Leasing Pty Limited (*)	Provision of equipment rental services to customers	**100**	100
19.	Optus Stockco Pty Limited (*)	Purchases of Optus Group network inventory	**100**	100
20.	Optus Superannuation Pty Limited (*)	A trustee for Optus Group's superannuation scheme	**100**	100
21.	Optus Systems Pty Limited (1)	Provision of information technology services to the Optus Group	**100**	100

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For the financial year ended 31 March 2013

47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
22.	Optus Vision Interactive Pty Limited (*)	Provision of interactive television service	**100**	100
23.	Optus Vision Media Pty Limited (*) (2)	Provision of broadcasting related services	**20**	20
24.	Optus Vision Pty Limited (1)	Provision of telecommunications services	**100**	100
25.	Perpetual Systems Pty Ltd (1)	Provision of IT disaster recovery services	**100**	100
26.	Prepaid Services Pty Limited (1)	Distribution of prepaid mobile products	**100**	100
27.	Reef Networks Pty Ltd (1)	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
28.	Singapore Telecom Australia Investments Pty Limited	Investment holding	**100**	100
29.	Simplus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
30.	SingTel Optus Pty Limited	Investment holding	**100**	100
31.	Source Integrated Networks Pty Limited (1)	Provision of data communications and network services	**100**	100
32.	Uecomm Operations Pty Limited (1)	Provision of data communication services	**100**	100
33.	Virgin Mobile (Australia) Pty Limited (1)	Provision of mobile phone services	**100**	100
34.	Vividwireless Group Limited	Provision of wireless broadband services	**100**	-
35.	XYZed LMDS Pty Limited (*)	Holder of telecommunications licence	**100**	100
36.	XYZed Pty Limited (1)	Provision of telecommunications services	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

47.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	Amobee Inc.	Provision of media and advertising services	USA	**100**	-
2.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
3.	Information Network Services Sdn Bhd	Provision of data communication and value added network services	Malaysia	**100**	100
4.	Lanka Communication Services (Pvt) Limited	Provision of data communication services	Sri Lanka	**82.9**	82.9
5.	NCS Information Technology (Suzhou) Co., Ltd. (1)	Software development and provision of information technology services	People's Republic of China	**100**	100
6.	NCSI (Chengdu) Co., Ltd (1)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
7.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
8.	NCSI (India) Private Limited	Provision of information technology services	India	**100**	100
9.	NCSI (Korea) Co., Limited	Provision of information technology consultancy and system integration services	South Korea	**100**	100
10.	NCSI Lanka (Private) Limited	Provision of information technology and communication engineering services	Sri Lanka	**100**	100
11.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
12.	NCSI (ME) W.L.L.	Provision of information technology and communication engineering services	Bahrain	**100**	100

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For the financial year ended 31 March 2013

47.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
13.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
14.	NCSI (Shanghai), Co. Ltd [(1)]	Provision of system integration, software research and development and other information technology-related services	People's Republic of China	**100**	100
15.	Pixable, Inc.	Provision of consumer internet services	USA	**100**	-
16.	Shanghai Zhong Sheng Information Technology Co., Ltd. [(**)] [(1)]	Provision of information technology training and software resale	People's Republic of China	**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	**74**	74
19.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
20.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	**100**	100
21.	Singapore Telecom Japan Co Ltd [(*)]	Provision of telecommunications services and all related activities	Japan	**100**	100
22.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
23.	Singapore Telecom USA, Inc. [(*)]	Provision of telecommunications, engineering and marketing services	USA	**100**	100
24.	SingTel Australia Investment Ltd [(*)]	Investment holding	British Virgin Islands	**100**	100

47.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
25.	SingTel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
26.	SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	**100**	100
27.	SingTel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
28.	SingTel Ventures (Cayman) Pte Ltd (*)	Investment holding	Cayman Islands	**100**	100
29.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu LLP except for the following -
(*) No statutory audit is required.
(**) Audited by another firm.

Note:
(1) Subsidiary's financial year-end is 31 December.

47.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	**25.6**	25.6
2.	APT Satellite Holdings Limited (1)	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited (1)	Investment holding	British Virgin Islands	**28.6**	28.6
4.	Infoserve Technology Corp.	Dormant	Cayman Islands	**25.0**	25.0
5.	NetLink Trust (2) (5)	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**100.0**	100.0

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47.4 Associates of the Group (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
6.	OpenNet Pte. Ltd. (3)	To design, build and operate the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**29.9**	29.9
7.	Singapore Post Limited (4)	Operation and provision of postal services	Singapore	**25.6**	25.6
8.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	50.0
9.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2
10.	Warid Telecom (Private) Limited (6)	Provision of mobile telecommunications services	Pakistan	**-**	30.0

Notes:

(1) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2012, the financial year-end of the company.

(2) Audited by Deloitte & Touche LLP, Singapore.

(3) Audited by Ernst & Young LLP, Singapore.

(4) Audited by PricewaterhouseCoopers LLP, Singapore.

(5) NetLink Trust is a business trust established as part of IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network, and is currently 100% owned by SingTel. It is regarded as an associate as SingTel does not have effective control in the trust.

(6) The company has been disposed during the financial year.

47.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	Abacus Travel Systems Pte Ltd	Marketing and distributing certain travel-related services through on-line airline computerised reservations systems	Singapore	**30.0**	30.0
2.	Acasia Communications Sdn Bhd (1)	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3

47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	**2012 %**
3.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**41.7**	41.7
4.	Advanced Info Service Public Company Limited (2)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
5.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
6.	ASEAN Telecom Holdings Sdn Bhd (1)	Investment holding	Malaysia	**14.3**	14.3
7.	Asiacom Philippines, Inc. (1)	Investment holding	Philippines	**40.0**	40.0
8.	Bharti Airtel Limited (3)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**32.3**	32.3
9.	Bharti Telecom Limited (3)	Investment holding	India	**36.2**	36.2
10.	Bridge Mobile Pte Ltd	Provision of regional mobile services	Singapore	**33.8**	33.8
11.	Globe Telecom, Inc. (4)	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**47.3**	47.3
12.	Grid Communications Pte Ltd (1)	Provision of public trunk radio services	Singapore	**50.0**	50.0
13.	Indian Ocean Cableship Pte Ltd	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
14.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
15.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3

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47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group 2013 %	2012 %
16.	OPEL Networks Pty Limited	Dormant	Australia	**50.0**	50.0
17.	Pacific Bangladesh Telecom Limited (5)	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
18.	Pacific Carriage Holdings Limited	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
19.	PT Telekomunikasi Selular (6)	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
20.	Radiance Communications Pte Ltd (1)	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
21.	Southern Cross Cables Holdings Limited (7)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
22.	SSBI Pte. Ltd.	Provision of business and management consultancy services	Singapore	**50.0**	50.0
23.	VA Dynamics Sdn Bhd (1)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2012, the financial year-end of the company.

(2) Audited by KPMG Phoomchai Audit Ltd, Bangkok.

(3) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young).

(4) Audited by SGV & Co. (a member firm of Ernst & Young).

(5) Audited by S. F. Ahmed & Co (SFACO) (an international associate firm of Ernst & Young).

(6) Audited by Purwantono, Suherman & Surja (a member firm of Ernst & Young).

(7) Audited by KPMG, Bermuda.