

Directors' Statement

For the financial year ended 31 March 2016

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2016.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 127 to 221 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this report are –

Simon Claude Israel (Chairman)
 Chua Sock Koong (Group Chief Executive Officer)
 Bobby Chin Yoke Choong
 Venkataraman Vishnampet Ganesan
 Christina Hon Kwee Fong (Christina Ong)
 Low Check Kian
 Peter Edward Mason AM ⁽¹⁾
 Peter Ong Boon Kwee
 Teo Swee Lian (appointed on 13 April 2015)

Fang Ai Lian and Kaikhushru Shiavax Nargolwala, who served during the financial year, retired following the conclusion of the Annual General Meeting on 21 July 2015.

Note:

⁽¹⁾ Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan (the "**Singtel PSP 2003**"), the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").

Directors' Statement

For the financial year ended 31 March 2016

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
<i>The Company</i>				
<u>Singapore Telecommunications Limited</u>				
(Ordinary shares)				
Simon Claude Israel	759,338 ⁽¹⁾	683,500	1,360 ⁽²⁾	1,360
Chua Sock Koong	6,692,097 ⁽³⁾	5,692,097	4,777,845 ⁽⁴⁾	4,458,159
Bobby Chin Yoke Choong	–	–	–	–
Low Check Kian	1,490	1,490	–	–
Peter Edward Mason AM	–	100,000	–	–
Christina Ong	–	–	–	–
Peter Ong Boon Kwee	870	870	1,537 ⁽²⁾	1,537
Teo Swee Lian	1,550	1,550	–	–
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	3,341.45 ⁽⁵⁾	3,200	–	–
<i>Subsidiary Corporations</i>				
<u>Amobee Group Pte. Ltd.</u>				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	750,718	–	–	–
<u>Optus Finance Pty Limited</u>				
(A\$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	1,600,000 ⁽⁶⁾	–	–	–
<i>Related Corporations</i>				
<u>Ascendas Funds Management (S) Limited</u>				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	1,000,000 ⁽⁷⁾	–	–	–
Chua Sock Koong	142,000	–	–	–
(S\$300,000,000 4.75% subordinated perpetual securities issued by Ascendas Real Estate Investment Trust)				
Chua Sock Koong	S\$250,000 (principal amount)	–	–	–

Directors' Statement

For the financial year ended 31 March 2016

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	3,456,000 ⁽⁶⁾	3,456,000	—	—
Bobby Chin Yoke Choong	—	—	100,000 ⁽²⁾	100,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	1,000,000 ⁽⁶⁾	1,000,000	—	—
Chua Sock Koong	430,000	430,000	50,000 ⁽²⁾	50,000
Peter Ong Boon Kwee	—	—	32,000 ⁽²⁾	32,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	990,160 ⁽⁶⁾	990,160	—	—
Chua Sock Koong	11,000	11,000	—	—
Bobby Chin Yoke Choong	129,600	129,600	—	—
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	1,000,000 ⁽⁶⁾	1,000,000	—	—
Neptune Orient Lines Limited				
(Ordinary shares)				
Bobby Chin Yoke Choong	—	—	29,489 ⁽²⁾	29,489
Olam International Limited				
(\$400,000,000 in principal amount of 4.25% bonds due 2019)				
Teo Swee Lian	—	S\$250,000 (principal amount)	—	—
(Warrants over shares)				
Low Check Kian	—	—	1,932,805 ⁽⁸⁾	1,905,907

Directors' Statement

For the financial year ended 31 March 2016

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2016	At 1 April 2015 or date of appointment, if later	At 31 March 2016	At 1 April 2015 or date of appointment, if later
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	9,000 ⁽⁹⁾	9,000	—	—
Chua Sock Koong	2,000	2,000	—	—
Bobby Chin Yoke Choong	—	—	2,000 ⁽²⁾	2,000
Low Check Kian	5,600	5,600	—	—
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	1	1	—	—
Tiger Airways Holdings Limited				
(Ordinary shares)				
Low Check Kian	—	8,325,000	—	—
(Perpetual convertible capital securities)				
Low Check Kian	—	937,500	—	—

Notes:

⁽¹⁾ 754,927 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.

⁽²⁾ Held by Director's spouse.

⁽³⁾ 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.

⁽⁴⁾ Ms Chua Sock Koong's deemed interest of 4,777,845 shares included:

(a) 28,137 ordinary shares held by Ms Chua's spouse; and

(b) An aggregate of up to 4,749,708 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,055,463 ordinary shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel PSP 2003 and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "SFA (DOI) Regulations") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.

⁽⁵⁾ 1 American Depositary Share represents 10 ordinary shares in Singtel.

⁽⁶⁾ Held in the name of Citibank Nominees Singapore Pte Ltd.

⁽⁷⁾ 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.

⁽⁸⁾ Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

⁽⁹⁾ 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2016.

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("**ERCC**") is responsible for administering the Singtel performance share plans. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel, and Teo Swee Lian.

The Singtel PSP 2003 was implemented with the approval of shareholders at the Extraordinary General Meeting held on 29 August 2003. The duration of the Singtel PSP 2003 was 10 years commencing 29 August 2003.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

The Singtel PSP 2003 was terminated following the adoption of the Singtel PSP 2012, without prejudice to the rights of holders of awards accepted and outstanding under the Singtel PSP 2003 as at the date of such termination.

The participants of the performance share plans will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

From the commencement of the performance share plans to 31 March 2016, awards comprising an aggregate of 229.7 million shares and 42.6 million shares have been granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES (Cont'd)

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2015 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2016 ('000)
Share award for Chairman						
(Simon Claude Israel)						
13.08.15	–	76	–	(76)	–	–
Performance shares						
(Restricted Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
26.06.12	116	–	–	(116)	–	–
21.06.13	98	–	30	(64)	–	64
23.06.14	102	–	–	–	–	102
17.06.15	–	84	–	–	–	84
	316	84	30	(180)	–	250
For other staff						
26.06.12	4,048	–	–	(3,952)	(96)	–
05.10.12	29	–	–	(29)	–	–
25.03.13	38	–	–	(38)	–	–
21.06.13	4,141	–	1,197	(2,643)	(277)	2,418
30.09.13	12	–	4	(8)	–	8
23.06.14	4,971	–	1	(72)	(488)	4,412
17.09.14	27	–	–	–	(17)	10
23.12.14	18	–	–	–	(14)	4
17.06.15	–	4,254	–	(7)	(338)	3,909
28.09.15	–	23	–	–	–	23
05.01.16	–	7	–	–	–	7
	13,284	4,284	1,202	(6,749)	(1,230)	10,791
Sub-total	13,600	4,368	1,232	(6,929)	(1,230)	11,041

Directors' Statement

For the financial year ended 31 March 2016

4. PERFORMANCE SHARES (Cont'd)

Date of grant	Balance as at 1 April 2015 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2016 ('000)
Performance shares						
(Performance Share Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
26.06.12	1,273	—	—	(1,273)	—	—
21.06.13	1,418	—	—	—	—	1,418
23.06.14	1,423	—	—	—	—	1,423
17.06.15	—	1,659	—	—	—	1,659
	4,114	1,659	—	(1,273)	—	4,500
For other staff						
26.06.12	5,541	—	—	(5,522)	(19)	—
05.10.12	146	—	—	(146)	—	—
25.03.13	11	—	—	(11)	—	—
21.06.13	6,992	—	—	—	(97)	6,895
30.09.13	15	—	—	—	—	15
23.06.14	6,891	—	—	—	(145)	6,746
17.09.14	15	—	—	—	—	15
23.12.14	220	—	—	—	(214)	6
17.06.15	—	7,652	—	—	(90)	7,562
28.09.15	—	125	—	—	—	125
05.01.16	—	32	—	—	—	32
	19,831	7,809	—	(5,679)	(565)	21,396
Sub-total	23,945	9,468	—	(6,952)	(565)	25,896
Total	37,545	13,912	1,232	(13,957)	(1,795)	36,937

During the financial year, awards in respect of an aggregate of 10.9 million and 3.1 million shares granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

As at 31 March 2016, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2003 and the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of –

- (i) the total number of new shares available under the Singtel PSP 2003 and the Singtel PSP 2012; and
- (ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2003 and the Singtel PSP 2012.

Directors' Statement

For the financial year ended 31 March 2016

5. SHARE OPTION PLANS

During the financial year, there were:

- (a) no options granted by the Company to any person to take up unissued shares of the Company; and
- (b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

Amobee Group Pte. Ltd.

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From April 2015 to 31 March 2016, options in respect of an aggregate of 55.0 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2016, options in respect of an aggregate of 43.3 million ordinary shares in Amobee are outstanding.

Options have been granted on 10 April 2015 with an exercise price of US\$0.79 per share and on 14 October 2015 with an exercise price of US\$0.79 per share or US\$0.54 per share. The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

No ordinary shares of Amobee were issued during the financial year pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Trustwave Holdings, Inc.

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.

From December 2015 to 31 March 2016, options in respect of an aggregate of 1.5 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2016, options in respect of an aggregate of 1.4 million of common stock in Trustwave are outstanding.

Options have been granted to employees of Trustwave and its subsidiaries on 1 December 2015 and 22 January 2016 with an exercise price of US\$16.79 per share. The term of each option granted to such employees is 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Directors' Statement

For the financial year ended 31 March 2016

6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the Chairman, are independent –

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Christina Hon Kwee Fong (Christina Ong)
Peter Ong Boon Kwee
Teo Swee Lian

Fang Ai Lian, who served during the financial year, retired as Chairman of the Audit Committee following the conclusion of the Annual General Meeting on 21 July 2015.

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has nominated Deloitte & Touche LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

7. AUDITOR

The auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors



Simon Claude Israel
Chairman



Chua Sock Koong
Director

Singapore
11 May 2016