IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (as defined in Regulation S under the Securities Act (as defined below)) or (ii) located within the United States of America ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the U.S. nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")), a relevant person (as defined under Section 275(2) of the SFA), or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Singapore Technologies Telemedia Pte Ltd, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Singapore Technologies Telemedia Pte Ltd, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited or United Overseas Bank Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Singapore Technologies Telemedia Pte Ltd in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD

(Incorporated in the Republic of Singapore on 13 January 1995)
(UEN/Company Registration No. 199500279W)

S$3,000,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by Singapore Technologies Telemedia Pte Ltd (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing of and quotation for any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or such Securities.

Arrangers

CREDIT SUISSE DBS HSBC UOB

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APPENDICES

NOTICE

Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited (the "**Arrangers**") have been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Securities, that the information contained herein is true and accurate in all material respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Securities would make any such information or expressions misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to below) shall be S$3,000,000,000 (or its equivalent in any other currencies) or such increased amount as determined in accordance with the terms of the Programme Agreement (as defined herein). On 8 June 2023, the maximum aggregate principal amount of the Securities which may be issued from time to time pursuant to the Programme and which remain outstanding has been increased from S$2,000,000,000 to S$3,000,000,000.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arrangers, any of the Dealers, the Trustee (as defined below) or the Agents (as defined below). Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, any of the Arrangers, any of the Dealers, the Trustee or any of the Agents to subscribe for or purchase the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the U.S. and include Securities in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, any of the Arrangers, any of the Dealers, the Trustee or any of the Agents to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers, the Dealers, the Trustee and the Agents have not separately verified the information contained in this Information Memorandum. None of the Arrangers, the Dealers, the Trustee, the Agents and their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arrangers, the Dealers, the Trustee and the Agents makes any representation or warranty as to the Issuer or its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Arrangers, any of the Dealers, the Trustee or any of the Agents that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities or as to the merits of the Securities or the subscription for, purchase or acquisition thereof. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, the Dealers, the Trustee, the Agents and their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee and the Agents accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by any of the Arrangers, any of the Dealers, the Trustee or any of the Agents or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Securities. Each of the Arrangers, the Dealers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any Series of Securities, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any publicly available audited consolidated accounts of the Issuer and its subsidiaries, (2) any supplement or amendment to this Information Memorandum issued by the Issuer and (3) any announcements made by the Issuer on the SGX-ST. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, any of the Arrangers, any of the Dealers, the Trustee or the Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription, Purchase and Distribution" on pages 161 to 165 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA

Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise none of the Arrangers, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Securities may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section on "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arrangers, the Dealers, the Trustee and the Agents disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**2nd Watch**":	2nd Watch, Inc.
"**3G**":	Third generation.
"**4G**":	Fourth generation.
"**5G**":	Fifth generation.
"**ABS-CBN**":	ABS-CBN Corporation.
"**Agency Agreement**":	The Agency Agreement dated 11 November 2015 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, (4) the Transfer Agent, as transfer agent, (5) the Registrar, as registrar, and (6) the Trustee, as trustee, as amended and restated by an amendment and restatement agency agreement dated 28 July 2017 and a second amendment and restatement agency agreement dated 30 August 2021, in each case, made between the same parties, and as further amended, restated or supplemented from time to time.
"**Agent Bank**":	DBS Bank Ltd.
"**Agents**":	The Issuing and Paying Agent, the Agent Bank, the Registrar, the SORA Agent Bank, the Transfer Agent or any of them and shall include such other agent or agents as may be appointed from time to time under the Agency Agreement.
"**Armor**":	Armor Defense Inc.
"**Arrangers**":	Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited.
"**Asia Mobile Holdings**":	Asia Mobile Holdings Pte. Ltd.
"**Ayala**":	Ayala Corporation.
"**Bearer Securities**":	Securities in bearer form.
"**Board**":	Board of Directors of the Issuer.
"**British Telecommunications**":	BT Group plc.
"**CDMA**":	Code division multiple access.
"**CDP**" or the "**Depository**":	The Central Depository (Pte) Limited.
"**CenturyLink**":	CenturyLink, Inc. (now known as Lumen Technologies, Inc.)
"**Certificate**":	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the terms and conditions of the Notes or, as the case may be, the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
"**Clearstream, Luxembourg**":	Clearstream Banking S.A.
"**Cloud Comrade**":	Cloud Comrade Pte. Ltd.
"**CloudCover**":	CloudCover Pte. Ltd.
"**CMT**":	Communications, media and technology.
"**Common Depositary**":	In relation to a Series of the Securities, a depositary common to Euroclear and Clearstream, Luxembourg.
"**Companies Act**":	The Companies Act 1967 of Singapore, as amended or modified from time to time.

"**Conditions**":	(i) In relation to the Notes of any Series, the terms and conditions applicable to the Notes of such Series, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable to the Perpetual Securities of such Series, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**":	The holders of the Coupons.
"**Coupons**":	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
"**CyberWay**":	CyberWay Pte Ltd.
"**Datameer**":	Datameer, Inc.
"**Dealers**":	Persons appointed as dealers under the Programme.
"**Definitive Security**":	A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue.
"**Directors**":	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Equinix**":	Equinix, Inc.
"**Euroclear**":	Euroclear Bank SA/NV.
"**Everyshow**":	Everyshow Inc.
"**FCA**":	The United Kingdom Financial Conduct Authority.
"**FMCG**":	Fast-moving consumer goods.
"**Frasers Property Thailand**":	Frasers Property (Thailand) Public Company Limited.
"**FY2020**":	Financial year ended 31 December 2020.

“**FY2021**”:	Financial year ended 31 December 2021.
“**FY2022**”:	Financial year ended 31 December 2022.
“**GDS Holdings**”:	GDS Holdings Limited.
“**Global Certificate**”:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) the Common Depositary and/or (iii) any other clearing system.
“**Global Crossing**”:	Global Crossing Limited.
“**Global Security**”:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
“**Goodman Japan**”:	Goodman Japan Limited.
“**Greenwave**”:	Greenwave Holdings Inc.
“**Group**”:	The Issuer and its subsidiaries.
“**GSM**”:	Global System for Mobile Communications.
“**HFC**”:	Hybrid fibre-coaxial.
“**HKSE**”:	The Stock Exchange of Hong Kong Limited.
“**Hyosung Heavy Industries**”:	Hyosung Heavy Industries Corporation.
“**i-STT Singapore**”:	Equinix Singapore Pte. Ltd. (formerly known as i-STT Pte Ltd.).
“**IDD**”:	International direct dialling.
“**Indosat**”:	Perusahaan Perseroan (Persero) PT Indonesian Satellite Corporation Tbk.
“**IoT**”:	Internet of Things.
“**IP**”:	Internet Protocol.
“**IPTV**”:	Internet protocol television which covers the transmission of television programming, either full scheduled channels and/or video on-demand content to consumers via a broadband connection using IP.
“**IRAS**”:	Inland Revenue Authority of Singapore.
“**Issuer**”:	Singapore Technologies Telemedia Pte Ltd.
“**Issuing and Paying Agent**”:	DBS Bank Ltd.
“**ITA**”:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“**Lao Telecommunications**”:	Lao Telecommunications Company Limited.
“**Latest Practicable Date**”:	31 May 2023.
“**Level 3 Communications**”:	Level 3 Communications, Inc.
“**LTE**”:	Long Term Evolution, which is a 4G wireless broadband technology developed by the Third General Partnership Project, an industry trade group.
“**Macquarie Asset Management**”:	Macquarie Asset Management, the asset management business of Macquarie Group Limited.
“**MAS**”:	The Monetary Authority of Singapore.

"**Moogsoft**": Moogsoft (Herd), Inc.

"**NASDAQ**": National Association of Securities Dealers Automated Quotation.

"**Noteholders**": The holders of the Notes.

"**Notes**": The notes issued or to be issued by the Issuer under the Programme.

"**NYSE**": The New York Stock Exchange.

"**Ooredoo**": Ooredoo Q.P.S.C.

"**Permanent Global Security**": A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.

"**Perpetual Securities**": The perpetual securities to be issued by the Issuer under the Programme.

"**Perpetual Securityholders**": The holders of the Perpetual Securities.

"**PhP**": Philippine peso.

"**PLDT**": PLDT Inc.

"**PRC**": The People's Republic of China.

"**Pricing Supplement**": In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.

"**Programme**": The S$3,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.

"**Programme Agreement**": The Programme Agreement dated 11 November 2015 made between (1) the Issuer, as issuer, (2) the Arrangers, as arrangers, and (3) Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited, as dealers, as amended and restated by an amendment and restatement programme agreement dated 28 July 2017 and a second amendment and restatement programme agreement dated 30 August 2021, in each case, made between the same parties, and as further amended, restated or supplemented from time to time.

"**Registered Securities**": Securities in registered form.

"**Registrar**": DBS Bank Ltd.

"**S$**" and "**cents**": Singapore dollars and cents respectively.

"**Securities**": The Notes and the Perpetual Securities.

"**Securities Act**": The U.S. Securities Act of 1933, as amended.

"**Securityholders**": The Noteholders and the Perpetual Securityholders.

"**Senior Perpetual Securities**": Perpetual Securities which are expressed to rank as senior obligations of the Issuer.

"**Series**": (1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual

	Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**":	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
"**SGX-ST**":	Singapore Exchange Securities Trading Limited.
"**SORA**":	The daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors).
"**SORA Agency Agreement**":	An agency agreement in respect of a Series of SORA Securities between the Issuer, the Trustee and the relevant SORA Agent Bank made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 11 to the Programme Agreement.
"**SORA Agent Bank**":	In relation to a Series of SORA Securities, the person appointed as SORA agent bank pursuant to the terms of the Agency Agreement or, as the case may be, the SORA Agency Agreement for that Series and as specified in the applicable Pricing Supplement as SORA agent bank or its successor in such capacity.
"**SORA Securities**":	Securities which are to bear interest or distribution with reference to SORA.
"**Subordinated Perpetual Securities**":	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"**Shares**":	Ordinary shares and preference shares in the share capital of the Issuer.
"**Shenington Investments**":	Shenington Investments Pte Ltd.
"**Singapore Power**":	Singapore Power Limited.
"**Sky Cable**":	Sky Cable Corporation.
"**sq ft**":	square feet.
"**sq m**":	square metres.
"**ST**":	Singapore Technologies Pte Ltd.
"**StarHub**":	StarHub Ltd.
"**ST Telemedia Cloud**":	ST Telemedia Cloud Pte. Ltd. (formerly known as Quantum Security Pte. Ltd.).
"**STT APDC**":	STT APDC Pte. Ltd.
"**STT Crossing**":	STT Crossing Ltd.
"**STT GDC**":	STT GDC Pte. Ltd.
"**STT GDC India**":	STT Global Data Centres India Private Limited.
"**STT GDC Indonesia**":	STT GDC Indonesia JVCo Pte. Ltd.
"**STT GDC Japan K.K.**":	STT GDC Japan K.K.
"**STT GDC Thailand**":	STT GDC (Thailand) Co., Ltd.

"**STT Tai Seng**":	STT Tai Seng Pte. Ltd.
"**STT Virtus HoldCo**":	STT Virtus HoldCo Limited (formerly known as Brockton Virtus HoldCo. Limited).
"**STTC**":	STT Communications Ltd.
"**Talons**":	Talons for further Coupons.
"**Tata Communications**":	Tata Communications Limited.
"**TeleChoice**":	TeleChoice International Limited.
"**Temasek**":	Temasek Holdings (Private) Limited.
"**Temporary Global Security**":	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
"**Tranche**":	Securities which are identical in all respects (including as to listing).
"**Transfer Agent**":	DBS Bank Ltd.
"**Trust Deed**":	The Trust Deed dated 11 November 2015 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended and restated by an amendment and restatement trust deed dated 28 July 2017 and a second amendment and restatement trust deed dated 30 August 2021 and as amended, modified and supplemented by a supplemental trust deed dated 8 June 2023, in each case, made between the same parties and as further amended, restated or supplemented from time to time.
"**Trustee**":	DBS Trustee Limited.
"**tw telecom**":	tw telecom Inc.
"**UK**":	United Kingdom.
"**United States**" or "**U.S.**":	United States of America.
"**U Mobile**":	U Mobile Sdn Bhd.
"**US$**" or "**US dollars**":	United States dollars.
"**Virtus**":	Virtus HoldCo Limited.
"**VoIP**":	Voice over Internet Protocol.
"**%**":	per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors:	Mr Teo Ek Tor Mr Stephen Geoffrey Miller Mr Sio Tat Hiang Mr Lim Ming Seong Mr Lim Ah Doo Mr Liu Chee Ming Mr Justin Weaver Lilley Mr Vicente Santiago Pérez, Jr.
Company Secretary:	Mr Chan Jen Keet
Registered Office:	1 Temasek Avenue #33-01 Millenia Tower Singapore 039192
Auditors:	KPMG LLP 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961
Arrangers of the Programme:	Credit Suisse (Singapore) Limited One Raffles Link #03-01 South Lobby Singapore 039393 DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 The Hongkong and Shanghai Banking Corporation Limited 10 Marina Boulevard #48-01 Marina Bay Financial Centre Singapore 018983 United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Arrangers:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and the Trustee (for the purpose of the update of the Programme):	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent: . . . . DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

Trustee for the Securityholders: . . DBS Trustee Limited
12 Marina Boulevard, Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer:	Singapore Technologies Telemedia Pte Ltd.
Issuer Legal Entity Identifier ("LEI"):	254900AJ5B04SYFHMD53
Arrangers:	Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited.
Dealers:	Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited.
Trustee:	DBS Trustee Limited.
Issuing and Paying Agent, Agent Bank, Transfer Agent and Registrar:	DBS Bank Ltd.
Description:	S$3,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$3,000,000,000 (or its equivalent in other currencies) or such increased amount as determined in accordance with the terms of the Programme Agreement.
Currency:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue:	Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price:	Securities may be issued at par or at a discount, or premium, to par.
Form and Denomination of Securities:	The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein. Each Tranche or Series of registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged,

upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Securities, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.

Custody of the Securities: .... Securities which are to be listed on the SGX-ST may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and/or Clearstream Luxembourg.

Taxation: .... All payments in respect of the Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.

Listing: .... Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.

If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).

Selling Restrictions: .... For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.

Governing Law: .... The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

NOTES

Maturities: .... Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).

Mandatory Redemption: .... Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR, S$ Swap Rate or S$ SORA (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR, S$ Swap Rate or S$ SORA (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Status of the Notes:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Redemption for Taxation Reasons: . . . . If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 8 of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption in the case of Minimal Outstanding Amount: . . . . If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Negative Pledge: . . . . The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will ensure that STTC will not, create or have outstanding any security (other than any security arising by operation of law (or by agreement to the same effect)) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes and the Coupons are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this paragraph, "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any

	stock exchange or over-the-counter or other securities market and having a tenor of more than one year.
Financial Covenants:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will ensure that: (i) the Consolidated Net Worth (as defined in Condition 4(b) of the Notes) shall not at any time be less than S$3,000,000,000; and (ii) the ratio of Consolidated Total Borrowings (as defined in Condition 4(b) of the Notes) to Consolidated Net Worth shall not at any time be more than 2:1.
Non-Disposal:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and shall ensure that STTC shall not, enter into a single transaction or a series of transactions to sell, transfer, lease out, lend or otherwise dispose of (whether outright by way of a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any of the existing or future assets of the Issuer or STTC (as the case may be) which are substantial in relation to the Group where such disposal would result in a material adverse effect on the Issuer's ability to comply with its obligations under the Trust Deed or the Notes.
Events of Default:	See Condition 10 of the Notes.

PERPETUAL SECURITIES

No Fixed Maturity:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.
Distribution Basis:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities and the relevant Pricing Supplement, the distribution rate may be reset on such dates and bases as may be set out thereon.
Floating Rate Perpetual Securities:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution on its outstanding principal amount at a rate to be determined separately for each Series by reference to S$ SIBOR, S$ Swap Rate or S$ SORA (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Distribution Discretion: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in Condition 4(ii)(a) of the Perpetual Securities) by giving notice to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, any or all of the following have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of:

(a) the Issuer's Junior Obligations (as defined in Condition 4(IV)(a) of the Perpetual Securities); or

(b) if the Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations (as defined in Condition 4(IV)(a) of the Perpetual Securities); or

(c) if the Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations (as defined in Condition 3(b)(i) of the Perpetual Securities); or

(ii) any of the following has been redeemed, reduced, cancelled, bought back or acquired for any consideration:

(a) the Issuer's Junior Obligations; or

(b) if the Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(c) if the Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group and/or as otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the Issuer may elect to defer a distribution in accordance with Condition 4(IV)(a) of the Perpetual Securities if the Perpetual Security is a Subordinated Perpetual Security and the Issuer has declared or paid a dividend, distribution or other payment on or in respect of any instrument or security issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, senior to the Perpetual Security and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Non-Cumulative Deferral and Cumulative Deferral: . . . .

If Non-Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

If Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment: . . . .

If Dividend Stopper is set out on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

(a) any of the Issuer's Junior Obligations; or

(b) if the Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(c) if the Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of:

(a) the Issuer's Junior Obligations; or

(b) if the Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(c) if the Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group unless and until (1) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (2) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (3) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

For the avoidance of doubt, nothing in Condition 4(IV)(d) of the Perpetual Securities shall:

(A) restrict the ability of the Issuer's subsidiaries to declare or pay any dividends, distributions or make any other payment to the Issuer; or

(B) if the Perpetual Security is a Subordinated Perpetual Security, restrict the Issuer or any of its subsidiaries from declaring or paying any dividend, distribution or making any other payment on or in respect of, redeeming, reducing, cancelling, buying back or acquiring for any consideration any instrument or security issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, senior to the Perpetual Security and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Status of the Senior Perpetual Securities: . . . . The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Status of the Subordinated Perpetual Securities: . . . . The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.

Subordination of Subordinated Perpetual Securities: . . . . Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to Subordinated Perpetual Securities: . . . . Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

Redemption for Taxation Reasons: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

  (a) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

  (b) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date of the Perpetual Securities;

(b) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date of the Perpetual Securities; or

(c) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date of the Perpetual Securities that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date of the Perpetual Securities,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount: . . . . If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Limited right to institute proceedings in relation to Perpetual Securities: . . . . The right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.

Proceedings for winding-Up: . . . . . If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities on the date on which such payment is due and such failure continues for a period of seven business days after the due date, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed dated 11 November 2015 made between (1) Singapore Technologies Telemedia Pte Ltd (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and restated by an amendment and restatement deed dated 28 July 2017 and a second amendment and restatement deed dated 30 August 2021 and as amended, modified and supplemented by a supplemental trust deed dated 8 June 2023, in each case, made between the same parties, and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 11 November 2015 (as amended, varied or supplemented by a supplemental deed of covenant dated 28 July 2017 and as further amended, restated or supplemented from time to time, the "**Deed of Covenant**") relating to the Notes executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement dated 11 November 2015 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**" and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) DBS Bank Ltd., as agent bank, (4) DBS Bank Ltd., as transfer agent (together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee for the Noteholders (as amended and restated by an amendment and restatement agreement dated 28 July 2017 and a second amendment and restatement agreement dated 30 August 2021, in each case, made between the same parties, and as further amended, restated or supplemented from time to time, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, (if applicable) the relevant SORA Agency Agreement (as defined below) and the Deed of Covenant.

An agency agreement (the "**SORA Agency Agreement**") may be entered into in respect of a Series of Notes where the rate or amount of interest is determined by reference to the daily Singapore Overnight Rate Average between the Issuer, the Agent Bank (as defined below) and the Trustee.

Copies of the Trust Deed, the Agency Agreement, (if applicable) the SORA Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon. In the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank (as defined below), the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes**: In the case of an exercise of an Issuer's or a Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge, Financial Covenants and Non-Disposal Covenant

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will ensure that STT Communications Ltd ("**STTC**") will not, create or have outstanding any security (other than any security arising by operation of law (or by agreement to the same effect)) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes and the Coupons are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and having a tenor of more than one year.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will ensure that:

(i) the Consolidated Net Worth shall not at any time be less than S$3,000,000,000; and

(ii) the ratio of Consolidated Total Borrowings to Consolidated Net Worth shall not at any time be more than 2:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer;

(B) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis;

(C) the non-controlling interests in the subsidiaries of the Issuer; and

(D) any amount which is accounted for as shareholders' funds or equity of the Group,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph

(B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation; and

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared and approved or paid since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group; and

(II) any debit balances on consolidated profit and loss account;

(2) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group,

save for, for the avoidance of doubt, any perpetual securities issued by any member of the Group which is regarded by generally accepted accounting principles as equity of the Group;

(3) "**Group**" means the Issuer and its subsidiaries; and

(4) "**subsidiary**" means any corporation which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act 1967 of Singapore).

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and shall ensure that STTC shall not, enter into a single transaction or a series of transactions to sell, transfer, lease out, lend or otherwise dispose of (whether outright by way of a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any of the existing or future assets of the Issuer or STTC (as the case may be) which are substantial in relation to the Group where such disposal would result in a material adverse effect on the Issuer's ability to comply with its obligations under the Trust Deed or the Notes.

5. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the principal shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(e)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"), unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest will be payable in arrear, for the Delay Period specified in the relevant Pricing Supplement, following each Interest Payment Date. Notwithstanding the foregoing, if Lockout is specified in the applicable Pricing Supplement in addition to Payment Delay, interest in respect of the final Interest Period will be payable in arrear on the final Interest Payment Date.

Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note), Swap Rate (in which case such Note will be a Swap Rate Note) or SORA (in which case such Note will be a SORA Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are SORA Notes, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SORA (as defined below) plus or minus the Spread:

(A) where Lockout is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_0}$", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"$\mathbf{n}_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"***p***" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Rate Cut-Off Date**" means, with respect to a Rate of Interest and Interest Period, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"$\mathbf{SORA}_i$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period:

I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period** $\mathbf{SORA}_i$") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period $SORA_i$ shall apply to each day falling in the relevant Suspension Period;

"**SORA Interest Determination Date**" means the Singapore Business Day immediately following the Rate Cut-off Date;

"**SORA Reset Date**" means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

"**Suspension Period**" means, in relation to any Interest Period, the period from (and including) the date falling "***p***" Singapore Business Day prior to the Interest

Payment Date in respect of the relevant Interest Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period;

(B) where Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_0}$", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"$\mathbf{n}_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"***p***" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"$\mathbf{SORA}_{i-x\,SBD}$" means, in respect of any Singapore Business Day "*i*" in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "***p***" Singapore Business Days prior to the relevant Singapore Business Day "*i*"; and

"**SORA Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period;

(C) where Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_0}$", for any Interest Period, is the number of Singapore Business Days in the relevant Observation Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"$\mathbf{n}_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"***p***" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"$\mathbf{SORA}_i$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period;

(D) where Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_0}$", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"$\mathbf{n}_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"$\mathbf{SORA}_i$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Interest Period;

(E) if, subject to Condition 5(II)(d), by 5.00 p.m., Singapore time, on the Singapore Business Day immediately following such day "*i*", SORA in respect of such day "*i*" has not been published and a Benchmark Event has not occurred, then SORA for that day "*i*" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published; and

(F) in the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, subject to Condition 5(II)(d), the Rate of Interest shall be:

(aa) that determined as at the last preceding SORA Interest Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any) or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (bb) if there is no such preceding SORA Interest Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread or Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period (if any)).

If the Notes become due and payable in accordance with Condition 10, the final SORA Interest Determination Date shall, notwithstanding any SORA Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SORA formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date; and

(4) in the case of Floating Rate Notes which are not SIBOR Notes, Swap Rate Notes or SORA Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page,

in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date, and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(4)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(4)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(4)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, (except as otherwise specified in the applicable Pricing Supplement) the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(v) If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) is less than such Minimum Rate of Interest, the rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(vi) If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) is more than such Maximum Rate of Interest, the rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)), Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or SORA (in which case such Variable Rate Note(s) will be SORA Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Benchmark Discontinuation and Replacement

(i) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 5(II)(d)(ii)) and an Adjustment Spread, if any (in accordance with Condition 5(II)(d)(iii)) and any Benchmark Amendments (in accordance with Condition 5(II)(d)(iv)) by no later than five Business Days prior to the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date.

An Independent Adviser appointed pursuant to this Condition 5(II)(d) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agent Bank, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(II)(d).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement on the second business day prior to the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may, on the second business day prior to the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date, determine the Benchmark Replacement (in accordance with Condition 5(II)(d)) and an Adjustment Spread, if any (in accordance with Condition 5(II)(d)(iii)) and any Benchmark Amendments (in accordance with Condition 5(II)(d)(iv)).

If the Issuer is unable to determine the Benchmark Replacement on the second business day prior to the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Spread or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(II)(d)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) shall (subject to adjustments as provided in Condition 5(II)(d)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(II)(d)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines:

(1) that an Adjustment Spread is required to be applied to the Benchmark Replacement; and

(2) the quantum of, or a formula or methodology for determining such Adjustment Spread,

then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines:

(1) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread; and

(2) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(II)(d)(v), without any requirement for the consent or approval of Noteholders vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank of a certificate signed by a duly authorised signatory of the Issuer pursuant to Condition 5(II)(d)(v), the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall not be obliged so to concur if in its reasonable opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the

Issuing and Paying Agent or the Agent Bank (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Agent Bank, the Transfer Agents, the Registrar and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(II)(d). Noteholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Agent Bank, the Paying Agents, the Registrar or the Transfer Agents (if required).

In connection with any such variation in accordance with this Condition 5(II)(d)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(II)(d) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Paying Agents and, in accordance with Condition 16, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank a certificate signed by a duly authorised signatory of the Issuer:

(1) confirming (I) that a Benchmark Event has occurred, (II) the Benchmark Replacement, (III) where applicable, any Adjustment Spread and/or (IV) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(II)(d); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. Further, none of the Trustee, the Paying Agents, the Agent Bank, the Registrar or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to the Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and the Noteholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(II)(d)(i), 5(II)(d)(ii), 5(II)(d)(iii) and 5(II)(d)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5, as applicable, will continue to apply unless and until the Trustee, the Paying Agents and the Agent Bank have been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(II)(d)(v).

(vii) Definitions

As used in this Condition 5(II)(d):

"**Adjustment Spread**" means either:

(1) a spread (which may be positive, negative or zero); or

(2) the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(I) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or

(II) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(III) is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5 (II)(d)(i)) (as the case may be) determines in accordance with Condition 5 (II)(d)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to applicable government bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) determines is reasonably necessary);

"**Benchmark Event**" means one or more of the following events:

(1) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(5) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative; or

(6) it has become unlawful for any Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur:

(a) in the case of paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;

(b) in the case of paragraph (4) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and

(c) in the case of paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date or, as the case may be, SORA Interest Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(II)(d)(i)) (as the case may be):

(1) the Successor Rate;

(2) the ISDA Fallback Rate; and

(3) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(II)(d)(i);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original

Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

   (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

   (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

   (III) a group of the aforementioned central banks or other supervisory authorities; or

   (IV) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenor.

(e) Definitions

As used in these Conditions:

"**Agent Bank**" means (in respect of any SORA Notes and any other Series of Notes where the rate or amount of interest is determined by reference to SORA) the person appointed as the agent bank for such Notes pursuant to the terms of the Agency Agreement or, as the case may be, the SORA Agency Agreement and specified as such in the applicable Pricing Supplement and (in respect of any other Series of Notes) DBS Bank Ltd. as agent bank under the Agency Agreement or its successors;

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note:

(i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating;

(ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office; and

(iii) if a payment is to be made on that day:

(1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros; and

(3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date or, as the case may be, SORA Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date or, as the case may be, SORA Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate

Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"), unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest will be payable in arrear, for the Delay Period specified in the relevant Pricing Supplement, following each Interest Payment Date. Notwithstanding the foregoing, if Lockout is specified in the applicable Pricing Supplement in addition to Payment Delay, interest in respect of the final Interest Period will be payable in arrear on the final Interest Payment Date.

Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be).

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date or, as the case may be, SORA Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as practicable after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note, in each case, where the rate or amount of interest is not determined by reference to the daily Singapore Overnight Rate Average remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the

Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 8 below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment or any such change in the application, interpretation or pronouncement.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

(h) Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer and/or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or the relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Paying Agent, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Agent Banks, Transfer Agents and Registrars; provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Notes having a specified office in Singapore and (iv) a Registrar in relation to Registered Notes having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement and (if applicable) the SORA Agency Agreement may be amended by the parties thereto without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties thereto may mutually deem necessary or desirable and which does not, in the opinion of the parties thereto, materially and adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay the principal of or any interest on any of the Notes when due and such default continues for seven business days after the due date;

(b) (i) the Issuer does not perform or comply with any one or more of its obligations (other than those referred to in paragraph (a) above and paragraph (b)(ii) below) under the Notes or the Trust Deed and (except in a case where the Trustee considers such default to be incapable of remedy) such default is not remedied for a period of 30 business days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(ii) any financial covenant set out in Condition 4(b) or Clause 7.2 of the Trust Deed is not complied with and such default is not remedied for a period of 40 business days following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(c) any representation or warranty made by the Issuer in the Trust Deed is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and (except in a case where the Trustee considers such non-compliance to be incapable of remedy) such non-compliance or incorrectness is not remedied for a period of 30 business days following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the relevant indebtedness and guarantees in respect of which one or more of the events mentioned in this paragraph (d)(i) or (d)(ii) has or have occurred exceeds S$80,000,000 or its equivalent in any other currency(ies);

(e) the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due, stops or suspends payment of all or a material part of its indebtedness, begins negotiations or takes any other proceeding for the deferral, rescheduling or other readjustment of all or a material part of its indebtedness which it will otherwise be unable to pay when due (which, for the avoidance of doubt, shall not include any negotiations or other proceedings taken in respect of a refinancing by the Issuer or any of its Principal Subsidiaries of any of its indebtedness), applies for a moratorium in respect of or affecting all or any material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed, effected, declared or otherwise arises by operation of law in respect of or affecting all or a material part of the indebtedness or (pursuant to an order of court that is issued in connection with a compromise or an arrangement proposed or intended to be proposed between the Issuer or any of its Principal Subsidiaries and their respective creditors) property of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the assets of the Issuer or any of its Principal Subsidiaries and is not removed, dismissed, discharged or stayed within 60 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable and enforcement is not dismissed, discharged or stayed within 60 days;

(h) an order is made, an effective resolution is passed or, as the case may be, an application or petition is made by the Issuer or any of its Principal Subsidiaries, for the winding-up of the Issuer or any of its Principal Subsidiaries (except, in the case of a Principal Subsidiary only, pursuant to or following a reconstruction, amalgamation, reorganisation, merger or consolidation not involving bankruptcy or insolvency or, in each case, on terms approved by the Trustee or the Noteholders by way of an Extraordinary Resolution before that event occurs) or an order is made, an effective resolution is passed or, as the case may be, an application or petition is made by the Issuer or any of its Principal Subsidiaries, for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over all or a material part of the assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any part of its business where such event is likely to materially and adversely affect the Issuer's ability to perform its obligations under the Notes or the Trust Deed;

(j) the compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries and, in the case of a compulsory acquisition, expropriation or nationalisation of assets of a Principal Subsidiary only, where such event is likely to have a material adverse effect on the Issuer;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable) and (except in a case where the Trustee considers such non-compliance to be incapable of remedy) such default continues for a period of 14 business days after notice of such default shall have been given to the Issuer by the Trustee;

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes or the Trust Deed;

(m) the Trust Deed or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any event occurs which, under the laws of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j);

(o) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act 1967 of Singapore; and

(p) the Issuer ceases to own directly (legally and beneficially) all the issued share capital in STTC.

In these Conditions, "**Principal Subsidiary**" means, at any particular time, any subsidiary of the Issuer whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or any part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(ii) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (i) above or which remains or becomes a Principal Subsidiary by virtue of (ii) above shall continue to be a Principal Subsidiary until the earlier of (1) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets of the Group, as shown by such audited consolidated accounts and (2) the date of a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 15 per cent. of the total assets of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

11. Enforcement of Rights

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit (at any time after an Event of Default has occurred and is continuing) to enforce the provisions of the Issue Documents (other than repayment of the Notes, together with accrued interest) and (at any time after the Notes have become due and payable) to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its related corporations without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language. Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. In the case where the Notes are listed on the SGX-ST, notice to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the holders of such Notes on the date on which the said notice was uploaded as an announcement on the SGX-ST. If the same announcement is published more than once on the SGX-ST, notice shall be deemed to have been given to the holders of such Notes on the first date on which such publication is made on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require or permit, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Noteholders.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

18. Governing Law

The Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "Perpetual Securities" are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.

The Perpetual Securities are constituted by a Trust Deed dated 11 November 2015 made between (1) Singapore Technologies Telemedia Pte Ltd (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below) (as amended and restated by an amendment and restatement deed dated 28 July 2017 and a second amendment and restatement deed dated 30 August 2021 and as amended, modified and supplemented by a supplemental trust deed dated 8 June 2023, in each case, made between the same parties, and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 11 November 2015 (as amended, varied or supplemented by a supplemental deed of covenant dated 28 July 2017 and as further amended, restated or supplemented from time to time, the "**Deed of Covenant**") relating to the Perpetual Securities executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement dated 11 November 2015 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**" and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) DBS Bank Ltd., as agent bank, (4) DBS Bank Ltd., as transfer agent (together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee for the Perpetual Securityholders (as amended and restated by an amendment and restatement agreement dated 28 July 2017 and a second amendment and restatement agreement dated 30 August 2021, in each case, made between the same parties, and as further amended, restated or supplemented from time to time, the "**Agency Agreement**"). The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, (if applicable) the relevant SORA Agency Agreement (as defined below) and the Deed of Covenant.

An agency agreement (the "**SORA Agency Agreement**") may be entered into in respect of a Series of Perpetual Securities where the rate or amount of distribution is determined by reference to the daily Singapore Overnight Rate Average between the Issuer, the Agent Bank (as defined below) and the Trustee.

Copies of the Trust Deed, the Agency Agreement, (if applicable) the SORA Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon. In the case of Registered Perpetual Securities, such

Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank (as defined below), the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered

Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities: Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities: In the case of an exercise of an Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this

Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge: Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities: This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Subordinated Perpetual Securities: This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the principal shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) if no Reset Date is specified in the applicable Pricing Supplement and:

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) if a Reset Date is specified in the applicable Pricing Supplement, (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter (but excluding) to the immediately following Reset Date, the Reset Distribution Rate.

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate, SORA OIS Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement);

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Agent Bank will determine the swap offer rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Agent Bank to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Agent Bank or, if only one of the Reference Banks provides the Agent Bank with such quotation, such rate quoted by that Reference Bank; and

"**SORA OIS Rate**" means (a) the SORA-OIS reference rate for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement available on the "OTC SGD OIS" page on the monitor of the Bloomberg Agency under "OIS BGN" appearing under the column headed "Ask" (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Agent

Bank)) at the close of business on the second Business Day preceding the Reset Date, or (b) if a Benchmark Event has occurred in relation to the "SORA OIS Rate", such rate as determined in accordance with Condition 4(II)(c).

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Agent Bank will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Distribution Rate or Reset Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

In these Conditions, "**Fixed Rate Determination Date**" means each Step-Up Date or each Reset Date.

(d) Publication of Relevant Distribution Rate or Reset Distribution Rate

The Agent Bank will cause (if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate or the applicable Reset Distribution Rate determined by it to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as practicable after its determination but in no event later than the fourth business day thereafter. The Agent Bank shall cause notice of the then applicable Distribution Rate or applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as practicable after determination thereof.

(e) Determination or Calculation by Trustee

If the Agent Bank does not at any material time determine or calculate the applicable Distribution Rate or Reset Distribution Rate, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(d)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"), unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Perpetual Security, in which case distribution will be payable in arrear, for the Delay Period specified in the relevant Pricing Supplement, following each Distribution Payment Date. Notwithstanding the foregoing, if Lockout is specified in the applicable Pricing Supplement in addition to Payment Delay, distribution in respect of the final Distribution Period will be payable in arrear on the final Distribution Payment Date.

Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment

Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).

If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security), Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or SORA (in which case such Perpetual Security will be a SORA Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Perpetual Security. The "Spread" is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Distribution Determination Date, the Agent Bank is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Perpetual Securities which are SORA Perpetual Securities, the Rate of Distribution for each Distribution Period will, subject as provided below, be Compounded Daily SORA (as defined below) plus or minus the Spread:

(A) where Lockout is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Period;

"$\mathbf{d_0}$", for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

"***i***", for the relevant Distribution Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

"$\mathbf{n}_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"***p***" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Rate Cut-Off Date**" means, with respect to a Rate of Distribution and Distribution Period, the date falling "***p***" Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Perpetual Securities become due and payable);

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"**SORA$_i$**" means, in respect of any Singapore Business Day "*i*" falling in the relevant Distribution Period:

I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period SORA$_i$**") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA$_i$ shall apply to each day falling in the relevant Suspension Period;

"**SORA Distribution Determination Date**" means the Singapore Business Day immediately following the Rate Cut-off Date;

"**SORA Reset Date**" means, in relation to any Distribution Period, each Singapore Business Day during such Distribution Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Period; and

"**Suspension Period**" means, in relation to any Distribution Period, the period from (and including) the date falling "***p***" Singapore Business Day prior to the Distribution Payment Date in respect of the relevant Distribution Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Period;

(B) where Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Period;

"**d_0**", for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

"***i***", for the relevant Distribution Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

"**n_i**", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "***p***" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Perpetual Securities become due and payable);

"p" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"$\mathbf{SORA}_{i-x\ SBD}$" means, in respect of any Singapore Business Day "i" in the relevant Distribution Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "p" Singapore Business Days prior to the relevant Singapore Business Day "i"; and

"**SORA Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period;

(C) where Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_0}$", for any Distribution Period, is the number of Singapore Business Days in the relevant Observation Period;

"i", for the relevant Distribution Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"$\mathbf{n}_i$", for any day "i", is the number of calendar days from and including such day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Period, the period from, and including, the date falling "p" Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "p" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling "p" Singapore Business Days prior to such earlier date, if any, on which the Perpetual Securities become due and payable);

"p" means the number of Singapore Business Days specified in the applicable Pricing Supplement;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"**SORA**$_i$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period;

(D) where Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the SORA Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Period;

"**d$_0$**", for any Distribution Period, is the number of Singapore Business Days in the relevant Distribution Period;

"***i***", for the relevant Distribution Period, is a series of whole numbers from one to d_0, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to the last Singapore Business Day in such Distribution Period;

"**n**$_i$", for any day "*i*", is the number of calendar days from and including such day "*i*" up to but excluding the following Singapore Business Day;

"**Singapore Business Days**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "*i*";

"**SORA**$_i$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Distribution Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Distribution Period;

(E) if, subject to Condition 4(**II**)(c), by 5.00 p.m., Singapore time, on the Singapore Business Day immediately following such day "*i*", SORA in respect of such day "*i*" has not been published and a Benchmark Event has not occurred, then SORA for that day "*i*" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published; and

(F) in the event that the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Agent Bank, subject to Condition 4(II)(c), the Rate of Distribution shall be:

(aa) that determined as at the last preceding SORA Distribution Determination Date or, as the case may be, Rate Cut-off Date (though substituting, where a different Spread (if any) or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Spread or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Period in place of the Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period); or

(bb) if there is no such preceding SORA Distribution Determination Date or, as the case may be, Rate Cut-off Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Securities for the first Distribution Period had the Perpetual Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Spread or Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Period (if any)).

If the Perpetual Securities become due and payable in accordance with Condition 9, the final SORA Distribution Determination Date shall, notwithstanding any SORA Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Perpetual Securities became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SORA formula) and the Rate of Distribution on such Perpetual Securities shall, for so long as any such Perpetual Security remains outstanding, be that determined on such date; and

(4) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities, Swap Rate Perpetual Securities or SORA Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page,

in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date, and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(4)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(4)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(4)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, (except as otherwise specified in the applicable Pricing Supplement) the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(v) If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(b) is less than such Minimum Rate of Distribution, the rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.

(vi) If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(b) is more than such Maximum Rate of Distribution the rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(c) Benchmark Discontinuation and Replacement

(i) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(II)(c)(ii)) and an Adjustment Spread, if any (in accordance with Condition 4(II)(c)(iii)) and any Benchmark Amendments (in accordance with Condition 4(II)(c)(iv)) by no later than five Business Days prior to the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date.

An Independent Adviser appointed pursuant to this Condition 4(II)(c) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agent Bank, the Paying Agents, the Perpetual Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(II)(c).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement on the second business day prior to the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may, on the second business day prior to the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date, determine the Benchmark Replacement (in accordance with Condition 4(II)(c)) and an Adjustment Spread, if any (in accordance with Condition 4(II)(c)(iii)) and any Benchmark Amendments (in accordance with Condition 4(II)(c)(iv)).

If the Issuer is unable to determine the Benchmark Replacement on the second business day prior to the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Spread or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Spread or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(II)(c)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) shall (subject to adjustments as provided in Condition 4(II)(c)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(II)(c)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines:

(1) that an Adjustment Spread is required to be applied to the Benchmark Replacement; and

(2) the quantum of, or a formula or methodology for determining such Adjustment Spread,

then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines:

(1) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread; and

(2) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(II)(c)(v), without any requirement for the consent or approval of Perpetual Securityholders vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank of a certificate signed by a duly authorised signatory of the Issuer pursuant to Condition 4(II)(c)(v), the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall not be obliged so to concur if in its reasonable opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Issuing and Paying Agent or the Agent Bank (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Agent Bank, the Transfer Agents, the Registrar and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(II)(c). Perpetual Securityholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Agent Bank, the Paying Agents, the Registrar or the Transfer Agents (if required).

In connection with any such variation in accordance with this Condition 4(II)(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(II)(c) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Paying Agents and, in accordance with Condition 14, the Perpetual Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank a certificate signed by a duly authorised signatory of the Issuer:

(1) confirming (I) that a Benchmark Event has occurred, (II) the Benchmark Replacement, (III) where applicable, any Adjustment Spread and/or (IV) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(II)(c); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. Further, none of the Trustee, the Paying Agents, the Agent Bank, the Registrar or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to the Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and the Perpetual Securityholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(II)(c)(i), 4(II)(c)(ii), 4(II)(d)(iii) and 4(II)(d)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4, as applicable, will continue to apply unless and until the Trustee, the Paying Agents and the Agent Bank have been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(II)(c)(v).

(vii) Definitions

As used in this Condition 4(II)(c):

"**Adjustment Spread**" means either:

(1) a spread (which may be positive, negative or zero); or

(2) the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be)

to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(I) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or

(II) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(III) is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines in accordance with Condition 4(II)(c)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities (including, but not limited to applicable government bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Distribution Period", timing and frequency of determining rates and making payments of distribution, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Distribution Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) determines is reasonably necessary);

"**Benchmark Event**" means one or more of the following events:

(1) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has

been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(5) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative; or

(6) it has become unlawful for any Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur:

(a) in the case of paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;

(b) in the case of paragraph (4) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and

(c) in the case of paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Distribution Determination Date or, as the case may be, SORA Distribution Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(II)(c)(i)) (as the case may be):

(1) the Successor Rate;

(2) the ISDA Fallback Rate; and

(3) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(II)(c)(i);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Securities, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(III) a group of the aforementioned central banks or other supervisory authorities; or

(IV) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenor.

(d) Definitions

As used in these Conditions:

"**Agent Bank**" means (in respect of any SORA Perpetual Securities and any other Series of Perpetual Securities where the rate or amount of distribution is determined by reference to SORA) the person appointed as the agent bank for such Perpetual Securities pursuant to the terms of the Agency Agreement or, as the case may be, the SORA Agency Agreement and specified as such in the applicable Pricing Supplement and (in respect of any other Series of Perpetual Securities) DBS Bank Ltd. as agent bank under the Agency Agreement or its successors;

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security:

(i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating;

(ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office; and

(iii) if a payment is to be made on that day:

(1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros; and

(3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date or, as the case may be, SORA Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date or, as the case may be, SORA Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Distribution Determination Date or, as the case may be, SORA Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Agent Bank will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as practicable after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security where the rate or amount of distribution is not determined by reference to the daily Singapore Overnight Rate Average remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, any or all of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of:

(1) the Issuer's Junior Obligations; or

(2) if this Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(3) if this Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or

(ii) any of the following has been redeemed, reduced, cancelled, bought back or acquired for any consideration:

(1) the Issuer's Junior Obligations; or

(2) if this Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(3) if this Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group and/or as otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the Issuer may elect to defer a distribution in accordance with this Condition 4(IV)(a) if this Perpetual Security is a Subordinated Perpetual Security and the Issuer has declared or paid a dividend, distribution or other payment on or in respect of any instrument or security issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, senior to this Perpetual Security and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

In these Conditions:

"**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and

"**Senior Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities (being Senior Perpetual Securities) and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a duly authorised signatory of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out hereon and subject to Conditions 4(IV)(c) and 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

(1) any of the Issuer's Junior Obligations; or

(2) if this Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(3) if this Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of:

(1) the Issuer's Junior Obligations; or

(2) if this Perpetual Security is a Senior Perpetual Security, (except on a *pro rata* basis) the Issuer's Senior Parity Obligations; or

(3) if this Perpetual Security is a Subordinated Perpetual Security, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, nothing in this Condition 4(IV)(d) shall:

(I) restrict the ability of the Issuer's subsidiaries to declare or pay any dividends, distributions or make any other payment to the Issuer; or

(II) if this Perpetual Security is a Subordinated Perpetual Security, restrict the Issuer or any of its subsidiaries from declaring or paying any dividend, distribution or making any other payment on or in respect of, redeeming, reducing, cancelling, buying back or acquiring for any consideration any instrument or security issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, senior to this Perpetual Security and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. **Redemption and Purchase**

(a) **No Fixed Redemption Date**

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4 and without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) **Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) **Redemption for Taxation Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent (A) a certificate signed by a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (B) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment or any such change in the application, interpretation or pronouncement, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(c).

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

(i) a certificate, signed by a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard has taken effect or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules, regulations, rulings or other administrative pronouncement promulgated or practice related thereto or thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an application or official and binding interpretation of any such laws, rules, regulations, rulings or other administrative pronouncement promulgated or practice related thereto or by any legislative body, court, governmental

agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws, rules, regulations or practice related thereto that differs from the previously generally accepted position which is issued or announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not or will no longer be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

(A) a certificate, signed by a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent legal, tax or other professional adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Purchases

The Issuer or any of its subsidiaries may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer and/or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or the relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Paying Agent, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Agent Banks, Transfer Agents and Registrars; provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Perpetual Securities having a specified office in Singapore and (iv) a Registrar in relation to Registered Perpetual Securities having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement and (if applicable) the SORA Agency Agreement may be amended by the parties thereto without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties thereto may mutually deem necessary or desirable and which does not, in the opinion of the parties thereto, materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities on the date on which such payment is due and such failure continues for a period of seven business days after the due date (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding, and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to "**Perpetual Securities**" shall be construed accordingly.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its related corporations without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language. Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a

Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. In the case where the Perpetual Securities are listed on the SGX-ST, notice to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the holders of such Perpetual Securities on the date on which the said notice was uploaded as an announcement on the SGX-ST. If the same announcement is published more than once on the SGX-ST, notice shall be deemed to have been given to the holders of such Perpetual Securities on the first date on which such publication is made on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require or permit, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Perpetual Securityholders.

15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

16. Governing Law

The Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

THE ISSUER

OVERVIEW

The Issuer is a strategic investor focused on investing in, operating and managing a portfolio of companies and investments in the CMT space globally. It is an active investor and shareholder that takes a long-term view of its investments and aims to create sustainable value for its stakeholders. As an investor-operator, the Issuer leverages on its deep domain expertise and shares its operational and technical expertise in the CMT space with its portfolio companies to develop and successfully execute their business strategies, as well as to drive value creation and synergies across its business platforms. The Issuer has a strong track record of building and growing businesses into market leaders and is committed to maintaining high standards of corporate governance.

The Issuer's key business segments comprise Communications and Media Services, Data Centres and Infrastructure Technologies. It has a strong digital ecosystem, deep operational and industry experience across its business segments, and is well positioned to leverage on key global technology trends such as 5G, fixed mobile convergence, quadruple-play offerings, the proliferation of data centres and data-driven organisations and the adoption of infrastructure technologies, to tap on new growth opportunities. The Issuer adopts a proactive approach in identifying and seeking new opportunities that are both complementary and value additive to its portfolio.

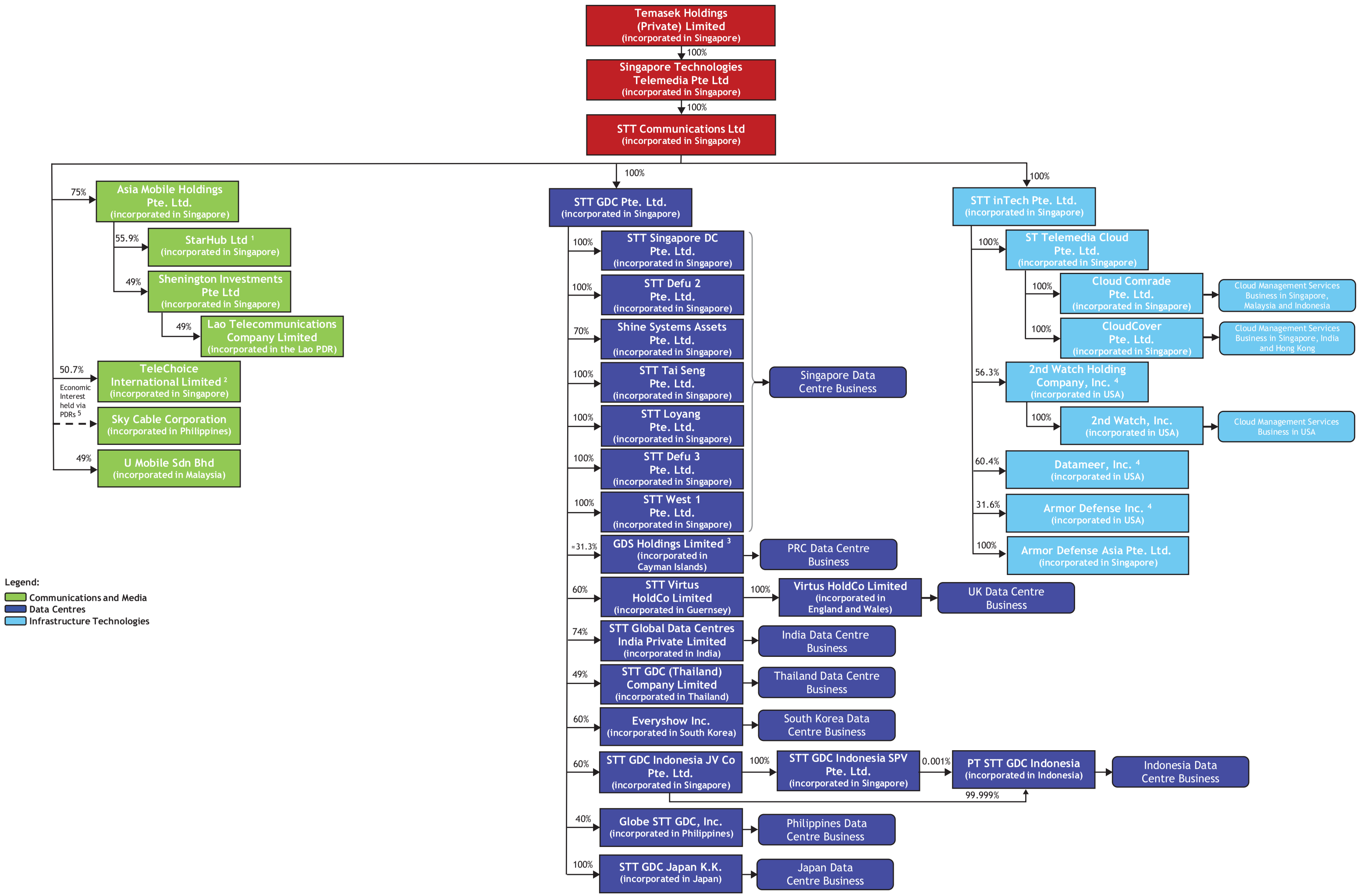
The Issuer's consolidated revenue for the financial year ended 31 December 2022 was S$4.7 billion and its consolidated total equity was S$6.3 billion as at 31 December 2022. The Issuer has, through its wholly-owned subsidiary STTC, and various portfolio companies, established a global footprint shaped by its presence across Asia Pacific, the UK and the United States, and has extensive experience investing and/or operating in both emerging and mature markets. The Group's portfolio consists of mainly mature companies (such as StarHub) and growth companies (such as STT GDC), with the rest (such as Datameer, Armor, ST Telemedia Cloud, Cloud Comrade, 2nd Watch and CloudCover) being development assets in the infrastructure technology area. The wide diversity across CMT business segments and across geographies helps the Group to mitigate asset specific risks and provides stability.

The Issuer is a wholly-owned subsidiary of Temasek, which is in turn wholly-owned by the Government of Singapore through the Minister for Finance. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. The Issuer is guided and managed by its Board and management. Temasek does not direct the commercial or operational decisions of the Issuer.

CORPORATE STRUCTURE

The following diagram sets forth an overview of the Issuer's organisation showing its major subsidiaries, associates and other portfolio companies:

Group Structure of Singapore Technologies Telemedia Pte Ltd



Notes:

(1) *Based on the total number of shares reported as outstanding in StarHub's Daily Share Buy-Back Notice announced on SGX-ST on 31 May 2023. As at the Latest Practicable Date, the market capitalisation of StarHub was approximately S$1.747 billion.*

(2) *Based on the total number of shares reported as outstanding in TeleChoice's Daily Share Buy-Back Notice announced on SGX-ST on 14 April 2023. As at the Latest Practicable Date, the market capitalisation of TeleChoice was approximately S$37.1 million.*

(3) *Based on the total number of Class A and Class B ordinary shares reported as outstanding in GDS Holdings' Form 6-K filed with the Securities and Exchange Commission on 8 May 2023. As at the Latest Practicable Date, the market capitalisation of GDS Holdings was approximately US$1.860 billion.*

(4) *Representing the Group's voting shares (assuming the exercise of all options issued/issuable and/or warrants issued by the portfolio company) as at the Latest Practicable Date.*

(5) *Being Philippine Depositary Receipts.*

HISTORY AND KEY MILESTONES

Headquartered in Singapore, the Issuer was incorporated in January 1995. Since its incorporation, the Issuer has sought opportunities to expand into new markets and develop new capabilities. The Group's key corporate milestones are listed below:

1995	In July 1995, the Group entered into a co-operation agreement with China Unicom with a view to construct and operate nationwide paging network in the PRC. In October 1995, the Group entered into a co-operation agreement with China Huaneng group to roll out GSM mobile network in Sichuan province.
1996	In March 1996, the Group launched CyberWay as one of Singapore's first three internet service providers. CyberWay was subsequently acquired by StarHub in 1999 and renamed StarHub Internet Pte Ltd.
1998	In May 1998, a consortium comprising STTC, Singapore Power, Nippon Telegraph and Telephone Corporation and British Telecommunications, was awarded licences to provide both fixed and cellular services in Singapore by the Telecommunication Authority of Singapore. StarHub was incorporated in May 1998 to hold these licences. In April 1998, TeleChoice was incorporated to undertake the distribution of mobile handsets and accessories in Singapore.
1999	Pursuant to an internal restructuring, the Group became a shareholder of Singapore's first broadband and cable TV network, Singapore Cable Vision, which was held by Singapore Cable Vision Limited (now known as StarHub Cable Vision Ltd. following its acquisition by StarHub in 2002).
2000	In January 2000, the Group entered the data centre and internet exchange business with the formation of a wholly-owned subsidiary, i-STT Singapore. In April 2000, StarHub officially launched its mobile and fixed-network services.
2002	In October 2002, a business combination was effected with Equinix, then a network-neutral Internet exchange services provider based in the United States and listed on NASDAQ, and certain other parties, pursuant to which i-STT Singapore became a wholly-owned subsidiary of Equinix. In connection with the business combination, the Group subscribed for certain securities in Equinix and became one of its significant shareholders. In December 2002, the Group acquired an approximate 41.9% stake in Indosat, Indonesia's second largest mobile phone operator and a leading provider of telecommunications services.
2003	In 2003, the Group invested US$250 million for a 61.5% stake in Global Crossing, the world's first integrated global IP-based network provider that is based in the United States.
2004	2004 was a landmark year for the Issuer as several of the companies within the Group were publicly listed and started trading on major stock exchanges (namely Global Crossing on NASDAQ, and StarHub and TeleChoice on the SGX-ST).
2005	The Group divested its interests in Equinix. STTC was conferred the Singapore 1000 Award in 2005 for the highest percentage turnover growth in the Communications, Transport and Storage industry by DP Information Group. The Singapore 1000 is an annual ranking of 1000 of the largest and most successful companies in Singapore.
2007	In March 2007, the Issuer welcomed Qatar Telecom (Qtel) QSC (now known as Ooredoo) as a new shareholder of Asia Mobile Holdings (the Group's investment company focused on mobile opportunities in the Asia Pacific region). As at the date of this Information Memorandum, Ooredoo holds a 25.0% equity stake in Asia Mobile Holdings, with the Group remaining as the controlling shareholder with a 75.0% equity stake in Asia Mobile Holdings. Ooredoo is an international telecommunications company with market presence in the Middle East, North Africa and Southeast Asia.

In July 2007, the Group established its footprint in the Indo-China region through Asia Mobile Holdings' acquisition of a 49.0% stake in Shenington Investments, 51.0% of which is held by Thaicom Public Company Limited, a company listed on the Stock Exchange of Thailand. Shenington Investments holds a 49.0% interest in Lao Telecommunications, with the remaining 51.0% being held by the Government of the Lao People's Democratic Republic.

2008 The Group divested its interests in Indosat.

2010 In March 2010, the Group acquired a 33.0% stake in U Mobile, a mobile and broadband service provider in Malaysia.

2011 In May 2011, the Group completed its investment in Sky Cable, Philippines' largest cable company and leading broadband service provider, through Philippine Depositary Receipts acquiring an approximate 40.0% economic interest in Sky Cable.

In October 2011, Level 3 Communications announced the completion of its stock amalgamation with Global Crossing which resulted in Global Crossing becoming a wholly-owned subsidiary of Level 3 Communications. As part of the amalgamation, the Group had exchanged all of its interests in Global Crossing for an approximate 24.0% equity stake in Level 3 Communications. The transaction combined the strengths of both companies to create a premier global communications provider with reach to the United States, Latin America, Europe, the Middle East, Africa, as well as the Asia Pacific region. Level 3 Communications is currently listed on NYSE.

2012 In 2012, the Group increased its equity stake in U Mobile with the purchase of additional shares in U Mobile. Following the completion of such purchase, the Group held an approximate 49.0% interest in U Mobile and became its largest shareholder.

2013 STTC was conferred the 2013 Singapore 1000 Net Profit Excellence award (Information & Communications category) by DP Information Group. The Singapore 1000 is an annual ranking of 1000 of the largest and most successful companies in Singapore.

2014 In August 2014, the Group through the Issuer's wholly-owned subsidiary STT GDC made its first foray into the PRC's data centre market by investing in an approximate 42.0% stake in GDS Holdings, a leading provider of advanced and high-availability data centre services in the PRC.

In October 2014, Level 3 Communications announced that it had completed its acquisition of tw telecom by way of a stock-and-cash merger. As a result of this acquisition, the Group's stake in Level 3 Communications was reduced to approximately 16.5%. Following subsequent acquisitions of stakes in Level 3 Communications, the Group's stake in Level 3 Communications was approximately 18.3%, based on the total number of shares of common stock reported as outstanding in Level 3 Communications' quarterly report Form 10-Q filed with the Securities and Exchange Commission on 6 August 2015.

2015 In 2015, the Issuer announced the development of two high-quality, state-of-the-art data centres in Singapore. The development of these data centres is carried out by STT GDC:

(a) In March 2015, the Issuer announced its acquisition of land in Defu Lane, Singapore along with its plan to build a high quality, state-of-the-art flagship data centre, STT Defu 1, which was completed in 2016.

(b) In July 2015, the Issuer announced its strategic partnership with StarHub to develop STT MediaHub, a highly specialised telecommunications, media and data centre facility located at Mediapolis@one-north in Singapore. The Issuer invested in a 70% stake in Shine Systems Assets Pte. Ltd. (which holds STT MediaHub), with StarHub holding the remaining stake.

Separately, in June 2015, STT GDC completed its initial investment in an approximate 26.0% interest in STT Virtus HoldCo, which in turn held an effective interest of approximately 98.6% in Virtus, one of UK's fastest growing data centre providers.

In August 2015, the Issuer signalled its focus on expanding existing capabilities toward adjacent infrastructure technology verticals with its first investment in Big Data, through an acquisition of an approximate 12.3% stake in Datameer, a Big Data analytics and visualisation company based in San Francisco, California. The Group's first investment in Big Data marks its entry into a key infrastructure technology vertical to expand its capabilities toward next-generation platforms.

In December 2015, the Issuer invested in Greenwave, an IoT software and managed services leader based in Irvine, California, through the acquisition of an approximate 14.9% stake in Greenwave. Investing in Greenwave marks the Issuer's continuing investment strategy into next-generation technology platforms.

2016 In May 2016, STT GDC entered into a joint venture partnership with Tata Communications to acquire a 74.0% majority stake in Tata Communications' data centre business in India and Singapore with Tata Communications holding the remaining 26.0% minority stake. The acquisition of 74.0% of Tata Communications' India data centre business was completed in October 2016.

In May 2016, the Issuer acquired an approximate 10.9% stake in Moogsoft, which is based in San Francisco, California and is a provider of IT operations analytics for modern private, public cloud and hybrid IT environments.

In July 2016, the Issuer divested its stake in ST Teleport Pte Ltd.

In October 2016, Level 3 Communications announced that it had entered into a merger agreement with CenturyLink, whereby CenturyLink would acquire Level 3 Communications in a stock-and-cash transaction (the "**Combination**"). Concurrent with the execution of the merger agreement, STT Crossing, a wholly-owned subsidiary of the Issuer, which is the registered holder of the Issuer's interest in Level 3 Communications, had also entered into (a) a voting agreement with CenturyLink to vote in favour of adoption of the merger agreement and (b) a shareholder rights agreement which provides for certain rights and obligations of STT Crossing as a shareholder of CenturyLink following the closing of the acquisition. The acquisition by CenturyLink is subject to the receipt of certain regulatory approvals and is expected to close by the end of the third quarter of 2017.

In November 2016, GDS Holdings launched its initial public offering and is currently listed on NASDAQ.

2017 In February 2017, the investment to acquire a 74.0% stake in Tata Communications' Singapore data centre business, STT Tai Seng, was completed. With the addition of STT Tai Seng, STT GDC operated five data centre facilities in Singapore with an aggregate gross floor area of approximately 520,000 sq ft. In September 2017, STT GDC announced the commencement of construction of STT Defu 2, a new facility located adjacent to STT Defu 1. Together, both facilities form STT GDC's flagship data centre campus in Singapore.

In March 2017, the Issuer invested US$89 million to acquire an approximate 33.4% stake in Armor, The First Totally Secured Cloud Company™ based in Dallas. The investment in Armor provides the Issuer with a presence in the growing cybersecurity and cloud infrastructure markets.

In September 2017, Virtus became a subsidiary following STT GDC's acquisition of all the interest in STT Virtus HoldCo not held by it.

In November 2017, the closing of the Combination took place, resulting in the Issuer receiving cash and shares of common stock in CenturyLink in exchange for all of its shares of common stock in Level 3 Communications.

2018 In February 2018, the Issuer declared and paid a dividend in specie to its shareholder comprising all its shares in CenturyLink and thereafter ceased to hold any interests in CenturyLink.

In November 2018, the Issuer acquired a majority stake in Cloud Comrade, which is principally engaged in the provision of cloud consulting, deployment and managed services in Singapore, Malaysia and Indonesia.

In December 2018, STT GDC announced its joint venture partnership with Frasers Property Thailand to develop and operate data centres in Thailand. STT GDC holds a 49% interest in the joint venture held through STT GDC Thailand.

In December 2018, STT GDC announced its plan to begin construction of its data centre facility located in Loyang.

2019	In May 2019, Frasers Property Thailand and STT GDC announced the commencement of the first phase of construction of STT GDC Thailand's first data centre in Ramkhamhaeng, Thailand.

In June 2019, STT GDC completed the acquisition of Tata Communications' 26% stake in STT Tai Seng and STT Tai Seng became a wholly-owned subsidiary of STT GDC.

In December 2019, the Issuer's wholly-owned subsidiary Quantum Security Pte. Ltd. (since renamed ST Telemedia Cloud) commenced its cloud-native cybersecurity managed detection and response services.

In November 2019, the Issuer acquired a majority stake in United States-based 2nd Watch, which helps enterprises design, deploy and manage cloud solutions and monitors business critical workloads 24x7.

2020	In January 2020, the Issuer acquired a majority stake in CloudCover, a cloud-native product and services company, which is based in Singapore and has a presence in India.

In October 2020, GDS Holdings launched its public offering on the HKSE and is currently listed on NASDAQ and the HKSE.

2021	In January 2021, STT GDC announced its joint venture with Hyosung Heavy Industries to develop and operate a data centre business in South Korea.

In May 2021, STT GDC announced its joint venture with Triputra Group as well as Temasek to develop and operate a data centre in Jakarta, Indonesia.

In September 2021, STT GDC Thailand announced the official opening of STT Bangkok 1, a carrier-neutral hyperscale data centre in Bangkok, Thailand.

In October 2021, STT GDC announced its plans for two new data centres in Tokyo to be developed by and leased from Goodman Japan.

In November 2021, STT GDC published its inaugural Environmental, Social and Governance (ESG) Report, which provides a comprehensive overview of the group's approach, programmes and performance across three key pillars: Decarbonisation; a Safe, Secure and Inclusive Workplace; and Ethical & Responsible Operations.

2022	In March 2022, STT GDC entered into a joint venture with Globe Telecom, Inc. and Ayala for the development, construction and operation of data centre projects in the Philippines. STT GDC holds a 40% interest in the joint venture (Globe STT GDC, Inc.), while Ayala holds a 10% interest and Globe Telecom, Inc holds the remaining 50% interest.

In May 2022, CloudCover became a 100%-owned subsidiary of ST Telemedia Cloud, following the acquisition of all the interest in CloudCover not already held by ST Telemedia Cloud.

In June 2022, STT GDC announced its second data centre site in South Korea whereby its joint venture with Hyosung Heavy Industries will lease the shell and core building, complete the remaining data centre fitouts, and then operate the data centre which is expected to be ready for service in the first half of 2025.

In July 2022, STT GDC published its Sustainability-Linked Financing Framework, which affirms its commitment to be net carbon-neutral by 2030.

In July 2022, Cloud Comrade became a 100%-owned subsidiary of ST Telemedia Cloud, following the acquisition of all the interest in Cloud Comrade not already held by ST Telemedia Cloud.

In November 2022, pursuant to an internal restructuring, ST Telemedia Cloud transferred the cybersecurity business carried out by it under the brand name Quantum Security to another wholly-owned subsidiary of STT inTech Pte. Ltd. (the holding company of ST Telemedia Cloud).

In December 2022, STT GDC closed a significant investment from Macquarie Asset Management in its European subsidiary, Virtus, where Macquarie Asset Management took a 40 per cent. stake to hold a significant minority interest in Virtus.

VISION AND MISSION

The Issuer aims to build leading digital services and infrastructure platforms, and Asia Pacific champions that facilitate business growth and help societies advance.

To achieve its goals, the Issuer:

- ***Invests:*** monitors global macro trends and invests in opportunities presented by companies whose business models complement and add value to its capabilities;
- ***Builds:*** adopts a synergy-by-design and strength-in-diversity investment approach to build a portfolio of distinct, yet interrelated businesses to propel value creation;
- ***Grows:*** deploys capital and expertise, manages risk and engages with its companies at strategic and operational levels to support them as they develop and expand; and
- ***Contributes:*** seeks to build leading platforms and create market champions that facilitate business growth and help advance societies.

COMPETITIVE STRENGTHS

Strategic investor with long-term view and proven track record in the CMT space

The Group is an active strategic investor within the global CMT space with over 25 years of investment and operational experience. The Group adopts a disciplined approach and takes a long-term view when seeking out new investment opportunities. Typically, the Group seeks out potential investments where it is able to, or has a path to, obtain a majority or controlling stake in the portfolio company, or at least a significant minority stake with the ability to influence the business strategies of the portfolio company actively through representation on the boards and/or representations in various committees, including the executive, audit, advisory and strategic planning committees, of these portfolio companies.

The Group's unique "investor-operator" model, coupled with its diverse operational and technical expertise in the CMT space, has proven to be successful in forging rewarding business relationships, driving operating synergies as well as creating sustainable value for its portfolio companies. The Group's proactive and forward-looking approach to portfolio management has led to the successful development of several leading CMT companies, such as:

- Global Crossing, one of the largest sub-sea cable capacity providers in the world;
- StarHub, which developed within a short space of time into Singapore's second largest mobile company; and
- Indosat, the second largest mobile phone operator and a leading provider of telecommunications services in Indonesia.

Exposure to healthy and favourable CMT sector trends

The Group has developed a highly selective portfolio of businesses that leverage on the prevailing healthy and favourable CMT sector trends.

The Group's established data centre expertise and footprint enables it to benefit from the secular growth trend in demand for data storage underpinned by the growth in data creation that is expected to continue with the increasing digitisation of the global economy, continued growth in cloud computing, e-commerce and online shopping, increasing compliance and regulatory requirements on data security, as well as increasing outsourcing of data centre requirements. Furthermore, the Group's data centre business benefits from significant barriers to entry including substantial upfront investment costs, customers' preference for data centre providers with proven track records, scarcity of suitable data centre sites as well as the requirement for specialised technical knowledge.

In addition, the Group has been investing in new business platforms such as Big Data, cybersecurity as well as in companies providing cloud managed services and consulting to enterprises.

Strong financial position anchored by portfolio of high quality investments

The Group's portfolio comprises high quality investments across the CMT space. This wide diversity across CMT industry segments and geographies helps the Group to mitigate asset specific risks to a certain extent and provides stability. This is manifested through the Group's mature and consistent cash generative portfolio companies, and through the growth of its investments in developing businesses and platforms. The Group has achieved revenue of S$4.7 billion for FY2022, and as of 31 December 2022, the total equity of the Group was S$6.3 billion.

Quality Board and experienced management team

The Board comprises distinguished individuals with multi-faceted expertise from a wide cross-section of industries globally, to provide the breadth of perspective in an increasingly dynamic business environment. The Group has a highly experienced and committed management team with vast experience in operating and investing in the CMT space for both emerging and mature markets. Over the years, the Group's management team has built up valuable intellectual capital and strategic business relationships that continue to remain instrumental to the growth and development of the Issuer and its portfolio companies.

The Group strongly believes that with the leadership of its dynamic management team and a proven, robust business model, it has the ability to continue competing and performing in the highly competitive environment in which it operates.

Ability to instil best-in-class corporate governance practices, internal controls and risk management

The Issuer adheres to maintaining high standards of corporate governance and seeks to instil best-in-class corporate governance, internal controls and risk management practices in its portfolio companies to safeguard shareholders' interest and promote long-term value creation.

As a responsible company, the Issuer aims to cultivate mutually beneficial relationships with the wider community where it has a presence to build a sustainable, better future for generations to come.

Strong parentage in the form of Temasek

The Issuer is a wholly-owned subsidiary of Temasek, an investment company headquartered in Singapore with a diversified investment portfolio. Temasek is wholly-owned by the Government of Singapore through the Minister for Finance.

STRATEGY

Continue to drive existing portfolio companies to enhance their capabilities and performance, leading to a strengthening of their current competitive position and creating further shareholder value

As an investor-operator, the Issuer intends to leverage on its deep domain expertise and share its operational and technical expertise and market insights in the CMT space to engage actively with its portfolio companies to develop and successfully execute their business strategies. This is likely to help its portfolio companies further strengthen their sustainable competitive advantage and proactively anticipate and adapt to the evolving CMT ecosystem.

In addition, the Group intends to continue to drive value creation and synergies across its business platforms through active involvement and 'hands-on' management of its portfolio companies. Where appropriate, the Group also proactively facilitates collaboration amongst its portfolio companies to harness and share unique proprietary knowledge, best practices and further drive any potential partnerships or operational synergies across the Group.

For example, the Group was part of the consortium which was awarded the third licences to provide both fixed and cellular services in Singapore and StarHub was incorporated to hold such licences.

Further, the Group also played an instrumental role in the development of CyberWay and Singapore Cable Vision, and the subsequent acquisition of these companies by StarHub which enabled StarHub to add Internet, cable broadband and pay TV services to its mobile and fixed telecommunications services, making it the first "quadruple-play" (the service offering of mobile, pay TV, broadband and fixed network services) in the Singapore telecommunication and media space. This converged/integrated quadruple-play platform, or "hubbing", quickly gained recognition as an innovative strategy and differentiated StarHub from its competitors, enabling StarHub to position itself as a "one-stop shop" for convergent and bundled products and services such as Mobile, IDD, Cable TV, Broadband, Digital Voice and Digital Cable services. On the back of this strategy, StarHub developed within a short space of time into Singapore's second largest mobile company.

Continuously monitor and adapt its portfolio to stay aligned with global CMT trends

The Issuer seeks to maintain a focused and robust approach in actively monitoring and aligning the composition of its portfolio within a highly competitive and evolving CMT ecosystem. From time to time, the Issuer explores and reviews investment and divestment opportunities in its ordinary course of business. Its investment and divestment decisions continue to be positively driven from extensive domain knowledge and a prudent and systematic approach to the risk management and stringent corporate governance that the Issuer practices.

Every investment and divestment decision of the Issuer is driven by the intention to achieve long-term growth and shareholder value creation.

Selectively invest in new adjacent growth markets and opportunistically invest in existing platforms that are additive to the overall portfolio

The Issuer adopts a proactive approach in identifying and seeking new opportunities that are both complementary and value additive to its portfolio. Its investment approach is to select opportunities that are both synergistic with existing portfolio companies and current with global CMT trends.

For example, to capture the growth opportunities present in the data centre industry due to strong data proliferation and storage needs from increasing global digitisation, the Issuer has made a series of investments in strategic data centre hubs in Singapore, India, the UK, Thailand, the PRC, Indonesia, Japan, South Korea and the Philippines. The Issuer intends to continue to aggressively expand its global footprint by investing in high quality platforms in key data centre hubs such as Europe, the United States, Asia Pacific and other growth markets. The data centre business platform is expected to generate recurring cash flows as its data centre assets evolve from a developing to mature stage.

Similarly, to tap the growth opportunities in technology megatrends, the Issuer has expanded its existing platforms toward selective adjacent infrastructure technologies with its investment in Big Data through Datameer and its investment in cybersecurity through Armor. From November 2018, the Issuer further expanded its scope by participating in the increasing trend of public cloud adoption by enterprises through investments in companies providing cloud managed services and consulting to enterprises and to date, the Issuer has interests in 2nd Watch, as well as its wholly-owned subsidiaries, ST Telemedia Cloud, Cloud Comrade and CloudCover.

Moving forward, the Issuer aims to continue to identify opportunities within next-generation platforms that are additive to the overall portfolio and capture synergies within its portfolio companies.

The Issuer will also seek to invest in CMT segments on an opportunistic basis when investment proposals that present attractive prospects arise.

BUSINESSES

The Issuer's portfolio companies and investments operate in three key business segments, comprising Communications and Media Services, Data Centres and Infrastructure Technologies.

COMMUNICATIONS AND MEDIA SERVICES

Within the Communications and Media Services segment, the Group's areas of expertise include mobile communications, converged quadruple-play services and cable TV.

Mobile Communications

The Group has significant experience in the deployment and management of mobile networks and services across various geographical locations. The Group's portfolio companies in this segment have been successful in growing in emerging markets, where low average revenue per user is the norm and low-cost base strategies are essential. At the same time, the Group's portfolio companies have also built strong brands as new entrants in established markets and thrived in highly competitive mature markets where innovation, service quality and coverage are paramount.

The Group's accomplishments range from the early adoption of CDMA networks to the deployment of 4G/LTE and the latest 5G high-speed networks.

Converged Quadruple-Play Services

The Issuer is the first in Singapore to introduce quadruple-play services, through its subsidiary StarHub. Quadruple-play services refer to the integrated offering of mobile, pay TV, broadband and fixed services.

Offering converged services to both consumers and enterprises, StarHub leveraged its distinctive and successful "hubbing" strategy to drive growth, expand market share and increase customer loyalty. Quadruple-play services is now the *de facto* strategy pursued by many leading industry players.

Cable TV

The Group offers significant expertise in the deployment and management of cable TV services through StarHub and Sky Cable.

The key portfolio companies operating within the Communications and Media Services segment are set out below.

Asia Mobile Holdings

Asia Mobile Holdings is an investment holding company focused on mobile opportunities in the Asia Pacific region. Asia Mobile Holdings is 75.0% owned by the Issuer and 25.0% owned by Ooredoo. Asia Mobile Holdings currently holds interests in StarHub and Shenington Investments, which in turn holds an interest in Lao Telecommunications.

StarHub

StarHub is Singapore's first fully-integrated info-communications company. StarHub offers a full range of information, communications and entertainment services for both consumer and corporate markets. These services include mobile, digital cable TV, broadband and fixed network. StarHub is listed on the Main Board of the SGX-ST and had a market capitalisation of approximately S$1.747 billion as at the Latest Practicable Date.

- *Mobile services*. StarHub operates a full suite of mobile services powered by Singapore's fastest network as well as first-in-market innovations such as Singapore's first 5G non-standalone network and has about 23.4% of market share in Singapore as of the end of 2022. StarHub provides a wide array of mobile telephone services to its customers in Singapore, including data services and a wide range of value-added entertainment and information services.
- *Pay TV.* StarHub is Singapore's second largest pay TV operator. StarHub provides a wide range of pay TV services, offering a full suite of international TV channels of news, movies, entertainment, sports, music and education, and six local "free-to-air" complimentary TV channels. Over Singapore's fibre-based Nationwide Broadband Network, StarHub offers multi-channel pay TV services to its residential customers. Besides providing pay TV services to residential consumers, StarHub also offers multichannel Pay TV services to business customers using the IPTV platform.
- *Broadband services*. StarHub is the second largest internet service provider in Singapore. Over Singapore's fibre-based Nationwide Broadband Network, StarHub offers a broad range of home and business broadband plans, as well as commercial and residential IPTV services.
- *Enterprise services*. StarHub operates an extensive fixed business network that provides a wide range of data, voice and wholesale services. Through its subsidiaries, StarHub also provides cybersecurity and information and communications technology (ICT) solutions to its enterprise customers.

Lao Telecommunications

Lao Telecommunications is the largest telecommunications operator in Laos. Lao Telecommunications offers a full range of domestic and international services including mobile, fixed-line and broadband services, and wireless, fibre optic, and satellite access. Lao Telecommunications was the first operator to offer 4G services in Laos and was recently issued with the Mobile Money License, the first non-bank company to be issued with this licence in Laos.

U Mobile

U Mobile is the youngest full-fledged mobile operator in Malaysia. Apart from offering conventional connectivity services such as data, voice and messaging services via a wide range of flexible and accessible prepaid, postpaid, fibre and broadband offerings, U Mobile also provides a variety of digital services. To facilitate wider customer reach and growth, U Mobile adopted a unique sales distribution strategy of utilising a wide network of traditional dealers and alternate channels. The mobile operator has been recognised for its industry challenging innovations, gaining it global and local accolades.

- At the 2022 Frost & Sullivan Asia Pacific Best Practices Awards, U Mobile was recognised as the 2022 Malaysian Mobile Service Company of the Year for its competitive pricing strategy and providing the most affordable 5G-ready mobile service plans in the market as well as for its commitment towards producing consumer-centric products. This marks the fifth year U Mobile has won this award.
- At the Putra Aria Brand Awards 2022, U Mobile was recognised as the preferred choice of consumers, with the company receiving the Gold award in the Communication Networks category.
- U Mobile was recognised as Opensignal's 2021 Global Rising Star for the second year in a row. The awards won are for major improvements in video experience, download speed, voice app experience and 4G availability.

The Issuer is the single largest shareholder in U Mobile with an equity interest of approximately 49.0%.

Sky Cable

Sky Cable is a Philippines incorporated company that offers wide-ranging and customised postpaid and prepaid cable TV, broadband and data services for retail and business customers. It is majority-owned by ABS-CBN, a listed Philippine entity. Sky Cable operates cable television systems in Metro Manila and key provincial areas through its own networks. It also provides broadband internet services under the trade name "SKY fibre", having an extensive HFC and fibre-optic network supporting high speed broadband and VoIP services. Pending the closing of the proposed acquisition by PLDT Inc., the Issuer holds an approximate 40.0%[1] economic interest in Sky Cable through Philippine Depositary Receipts.

TeleChoice

TeleChoice is a regional diversified provider and enabler of information and communications technology solutions and services. Its three business divisions are Personal Communications Solutions Services (providing handset distribution, order fulfilment services, distribution and supply chain management services relating to mobile communication devices and accessories, sales and marketing support), Info-Comm Technology Services (a regional integrated info-communications technology solutions provider) and Network Engineering Services (a regional provider of network engineering services and supplier of specialised telecommunication products). TeleChoice is incorporated in Singapore and listed on the Main Board of the SGX-ST and had a market capitalisation of approximately S$37.1 million as at the Latest Practicable Date.

[1] *On 16 March 2023, PLDT announced that it had entered into a Sale and Purchase Agreement with Sky Vision Corporation, ABS-CBN, and Lopez, Inc., for the proposed acquisition by PLDT of the broadband business and related assets of Sky Cable, through the purchase of 100% of Sky Cable's total issued and outstanding capital stock, for a total purchase price of PhP 6.75 billion. The closing of the proposed transaction is subject to compliance with certain conditions precedent which include, among others, the termination or cessation of operations by Sky Cable of its pay TV and cable businesses and obtaining all applicable government approvals and clearances.*

DATA CENTRES

The Issuer's depth of knowledge and experience in Internet data centres and business exchange services dates back to the early 2000s. The Issuer has significant experience in acquiring, building, integrating and growing data centres in both mature and emerging markets.

The Issuer has an interest, through its portfolio companies, in 178 data centres in Singapore, the PRC, India, the UK, Indonesia, South Korea, Japan, Thailand and the Philippines as at 31 December 2022.

The portfolio companies operating within the Data Centres business segment are set out below:

STT GDC

STT GDC is a wholly-owned subsidiary of the Issuer. Its strategy is to develop an integrated global data centre platform to deliver a suite of products, services and solutions for customers through the acquisition, development and integration of data centre assets in key markets across Europe, Asia Pacific and in other growth markets. To date, STT GDC has interests in a portfolio of data centre assets in Singapore, the PRC, India, the Philippines, Thailand and the UK held through its subsidiaries and portfolio companies. STT GDC has also entered into strategic partnerships in Indonesia, Japan and South Korea to develop and operate data centre businesses there.

STT APDC

STT GDC, through STT APDC's interest in the operating companies in Singapore, operates seven data centres in Singapore that are strategically located in the eastern and western parts of Singapore, providing multi-site redundancy. STT GDC has a total net floor area of approximately 42,247 sq m in service in Singapore. As at 31 December 2022, STT APDC wholly-owns all the data centre assets in Singapore, except for STT MediaHub which is held by Shine Systems Assets Pte. Ltd., a 70:30 joint venture company with StarHub.

STT GDC India

STT GDC India is a data centre co-location service provider in India, with a net floor area of approximately 67,566 sq m. Operating since 2004, STT GDC India manages 19 facilities and three data centres currently under construction across nine major cities in India and serves customers that include IT companies, global and domestic enterprises, mobile carriers and e-commerce companies. STT GDC India operates three of India's largest data centre facilities in Pune, Chennai, and Bengaluru. STT GDC India is a 74:26 joint venture between STT GDC and Tata Communications.

Virtus

Virtus is a UK data centre co-location service provider that owns, designs, builds and operates ten data centres and has one data centre currently under construction, with an aggregate net floor area of 72,850 sq m in service, and an aggregate net floor area of 4,776 sq m under construction as at 31 December 2022, located within London with a strong emphasis on quality, flexibility, security and connectivity. Virtus offers retail and wholesale co-location models via scalable and customisable solutions to cater to customer needs. STT GDC has a 60% interest in Virtus, with the remaining 40% interest owned by Macquarie Asset Management.

GDS Holdings

GDS Holdings is a carrier-neutral data centre co-location service provider in the PRC with a portfolio of over 103 data centres and 17 data centres under construction in key cities across the PRC. It develops and operates high-performance data centres, with large net floor area and power capacity, high power density and efficiency, and multiple redundancy across all critical systems. It offers co-location and managed services, including direct private connection to leading public clouds, an innovative service platform for managing hybrid clouds and, where required, the resale of public cloud services. Its customers consist predominantly of hyperscale cloud service providers, large internet companies, financial institutions, telecommunications carriers and IT service providers, and large domestic private sector and multinational corporations. As at 31 December 2022, it has an aggregate net floor area of approximately 708,500 sq m with 192,713 sq m under construction. GDS Holdings was listed on NASDAQ in November 2016 and obtained a secondary listing on the Main Board of HKSE in October 2020. GDS Holdings has a market capitalisation of US$1.860 billion as at the Latest Practicable Date. Based on the total number of Class A and Class B ordinary shares reported as outstanding in GDS

Holdings' Form 6-K filed with the Securities and Exchange Commission on 8 May 2023, the Issuer, through STT GDC, holds an approximate 31.3% equity interest in GDS Holdings and is its single largest shareholder.

STT GDC Thailand

STT GDC Thailand has been established to provide data centre co-location services in Thailand. In May 2019, Frasers Property Thailand and STT GDC announced the commencement of the first phase of construction of STT GDC Thailand's first data centre in Hua Mak, Bangkok. In September 2021, STT GDC Thailand announced the official opening of STT Bangkok 1, the first of the two planned buildings in the STT Bangkok Data Centre Campus in Hua Mak, which is a carrier-neutral hyperscale data centre in Bangkok, Thailand. STT GDC has a 49% interest in STT GDC Thailand.

Everyshow

In January 2021, STT GDC announced a strategic partnership with Hyosung Heavy Industries to jointly develop and operate their first carrier-neutral data centre campus in South Korea. The joint venture entity between STT GDC and Hyosung Heavy Industries in South Korea is known as Everyshow which is 60%-owned by STT GDC and 40%-owned by Hyosung Heavy Industries. In June 2022, Everyshow announced plans for its second data centre site in South Korea.

STT GDC Indonesia

In May 2021, STT GDC announced the entry into a strategic partnership with Indonesian conglomerate Triputra Group as well as Temasek, to develop a new data centre operating platform in Jakarta, Indonesia. The joint venture entity is known as STT GDC Indonesia which is 60%-owned by STT GDC through a wholly-owned subsidiary, with Triputra Group and Temasek each holding 20% through their respective affiliates. This new data centre campus in the Greenland International Industrial Centre, located in Kota Deltamas, Cikarang, Bekasi, will comprise multiple buildings with up to 28,600 sq m of net floor area. In December 2022, STT GDC announced the structural completion of the data centre facility which is expected to be fully operational in 2023.

STT GDC Japan K.K.

In October 2021, STT GDC announced plans for two new data centres in Tokyo, to be developed by and leased from Goodman Japan. The two new data centres will comprise 60,000 sq m of gross floor area. This new data centre campus will be located within Goodman Business Park in Inzai City in the Greater Tokyo area. Goodman Japan will develop the shell and core of the data centres and lease the buildings on a long-term basis to STT GDC Japan K.K., and STT GDC Japan K.K. will then fitout and operate the data centres.

Globe STT GDC, Inc.

In March 2022, STT GDC formed a joint venture with Globe Telecom, a leading digital solutions platform in the Philippines, and Ayala, a leading conglomerate in the Philippines, for the development, construction and operation of data centres in the Philippines. The joint venture has a portfolio comprising data centres in key cities across the Philippines including Metro Manila, Carlabarzon and Davao. The joint venture entity is known as Globe STT GDC Inc., which is 40%-owned by STT GDC through a wholly-owned subsidiary, with Globe Telecom and Ayala each holding 50% and 10% respectively through their respective affiliates.

INFRASTRUCTURE TECHNOLOGIES

In August 2015, the Issuer signalled its focus on expanding existing capabilities toward adjacent infrastructure technology verticals with its first investment in Big Data, through the acquisition of an approximate 12.3% stake in Datameer and in March 2017 the Issuer made an investment in cybersecurity through the acquisition of an approximate 33.4% stake in Armor. From November 2018, the Issuer further expanded its scope by participating in the increasing trend of public cloud adoption by enterprises through investments in companies providing cloud managed services and consulting to enterprises and to date, the Issuer has interests in 2nd Watch, as well as its wholly-owned subsidiaries, ST Telemedia Cloud, Cloud Comrade and CloudCover.

Datameer

Based in the United States, Datameer is a provider of Big Data management software for analytics that gives analysts universal access to the data for faster analytics. Datameer Spotlight enables business teams to discover, access, collaborate, and analyse more data without complex data replication and movement, while Datameer Spectrum is a cloud-native, fully-featured, no-code ETL platform that turns raw data into analytics-ready datasets quickly and easily. As at the Latest Practicable Date, the Issuer's stake in Datameer is approximately 60.4%.

Armor

Armor is a cybersecurity software company protecting data and applications in private, public or hybrid clouds and also helps organisations comply with major regulatory frameworks and controls. Armor's consolidated security platform safeguards endpoints, networks, servers, and the cloud against malicious threats. Armor is headquartered in Texas with offices in the UK and San Francisco. As at the Latest Practicable Date, the Issuer's stake in Armor is approximately 31.6%.

ST Telemedia Cloud

ST Telemedia Cloud is a Singapore based wholly-owned subsidiary of the Issuer and holds the Issuer's interests in Cloud Comrade and CloudCover.

2nd Watch

Based in the United States, 2nd Watch helps enterprises design, deploy and manage public cloud solutions and monitors business critical workloads 24x7. 2nd Watch is an AWS Partner Network Premier Consulting Partner and Microsoft Azure Gold Partner, providing professional and managed cloud services to enterprises. As at the Latest Practicable Date, the Issuer's stake in 2nd Watch is approximately 56.3%.

Cloud Comrade

Based in Singapore with a presence in Malaysia and Indonesia, Cloud Comrade offers a comprehensive range of services from strategy and design to deployment, migration and management of customers' IT infrastructure. Cloud Comrade is an Amazon Web Services (AWS) Partner Network Premier Consulting Partner, Google Cloud Premier Partner and Microsoft Azure Gold Partner, providing managed cloud services to enterprises. As of July 2022, Cloud Comrade became a 100%-owned subsidiary of ST Telemedia Cloud.

CloudCover

CloudCover is a cloud-native solutions company focused on automation and scale, delivering products and services in Asia Pacific and North America, and headquartered in Singapore. CloudCover works with start-ups and enterprises to harness the power of the public cloud to drive innovation, speed and business value. CloudCover is an AWS Partner Network Advanced Consulting Partner, Google Cloud Premier Partner and Microsoft Azure Gold Partner. As of May 2022, CloudCover became a 100%-owned subsidiary of ST Telemedia Cloud.

RISK MANAGEMENT

There are inherent risks whenever the Issuer invests, divests, hold its portfolio companies and assets, and wherever the Group operates. As the Issuer is focused on the CMT space globally, it is also exposed to inherent concentration risks within its portfolio.

The Issuer, through STTC, promotes a culture of risk awareness and balanced risk-taking. The foundation of STTC's risk management policy is to make informed decisions based on an understanding of the risks involved and take appropriate actions where necessary to mitigate such risks wherever practical. As such, its risk management policy stipulates that any significant threat to its business objectives are identified, assessed, mitigated, monitored and reported through an enterprise-wide risk management framework. This implies an acceptable balance between risk and commercial considerations so as to meet stakeholder expectations within an acceptable degree of risk. Risks relating to investments within its portfolio are tracked and managed. Portfolio companies have a designated risk scorecard owner who is supported by a multidisciplinary team monitoring the portfolio company's performance. Risk factors identified and the appropriate mitigating measures are reported and discussed quarterly among senior management before the Risk Management department reports to STTC's Risk, Operations and Sustainability Committee, comprising of members of STTC's Board of Directors. Risk Management department reports to the Risk, Operations and Sustainability Committee twice a year. The responsibility of STTC's Risk, Operations and Sustainability Committee is to oversee the appropriateness of the risk management and sustainability strategy, framework and process of the Issuer.

The risk considerations for individual portfolio companies include financial, operational, strategic, business, cybersecurity, legal and regulatory, tax, funding and other key management risks. The Issuer, through STTC, puts in place certain systems and processes to minimise risks in relation to its portfolio companies such as authority delegation limits, policies and/or reporting to the directors of the relevant companies.

To mitigate compliance and control risks, the Internal Audit function for STTC conducts periodic review of the key control processes or other reviews requested by the Board of Directors, the Audit Committee, the Risk, Operations and Sustainability Committee, or senior management.

SUSTAINABILITY

The Issuer is cognisant of its responsibility for environmental and social stewardship. It is committed to growing inclusively and sustainably to enable its long-term success and to create lasting positive impact for its stakeholders including the lives of those in its communities.

In 2021, the Issuer introduced the ST Telemedia Sustainability Framework (the "**Framework**") which reflects a coordinated approach to sustainability and encapsulates the current environmental, social and governance topics that are considered material to the Issuer and the Group. The Framework focuses on the environmental stewardship of the planet, the social wellbeing of the Issuer's employees and the community where it operates, and the exemplary governance of its business and portfolio.

STTC's Risk, Operations and Sustainability Committee provides oversight and reviews the development and implementation of the sustainability strategy, framework and practices of the Issuer's subsidiaries and, to the extent applicable and/or practicable, its portfolio companies.

Local community outreach

The Issuer has an active local community outreach programme which supports initiatives that help improve community wellbeing and economic mobility, and encourage dialogue and understanding of regional and global issues that impact the world. The Issuer also encourages its employees to get involved in the community through its volunteerism programme. Since 2022, the Issuer has also granted each employee two days of volunteering leave per year to serve in any local community projects.

The Issuer's local community outreach programme is centred on these three pillars:

Enriching Communities

The Issuer supports a range of projects from social cohesion, inclusion and environmental sustainability to better quality of life and emergency relief.

In 2021, over S$900,000 was contributed to the local community, with over S$660,000 directly assisting over 800 families and almost 600 children and vulnerable elders. 38 (28 unique) volunteers from the Issuer and its portfolio companies participated in four volunteerism activities, including replenishing The Food Bank Singapore's vending machines in support of their food support initiative for the needy, assisting with management of a mask distribution centre during Temasek Foundation's nationwide mask distribution exercise, and packing and distributing groceries to disadvantaged households of Yong-en Care Centre's food distribution programme.

In 2022, the Issuer contributed approximately S$160,000 to its long-term community partners (Children's Aid Society, Dignity Kitchen, Life Community Services Society, Morning Star Community Services and Yong-En Care Centre) in support of their existing and new initiatives. As part of its efforts to promote digital literacy and inclusion, the Issuer introduced the first in a series of cyber-safety and cyber wellness talks for its community partners, Children's Aid Society and Life Community Services Society.

Nurturing Future Generations

The Issuer sponsors initiatives that encourage young people to raise their aspirations and fulfil their potential. For example, to mark its 25th anniversary in 2019, the Issuer established three bond-free, full scholarships with top international universities for Singaporeans from disadvantaged backgrounds. The scholarships are:

- The ST Telemedia Scholarship for a Master in International Affairs degree at the Lee Kuan Yew School of Public Policy
- Two undergraduate scholarships in the UK, available across a broad range of disciplines, namely:
  - The ST Telemedia – Lee Kuan Yew Undergraduate Scholarship at Fitzwilliam College, Cambridge through the Lee Kuan Yew Fitzwilliam Fund
  - The Lee Kuan Yew – Thatcher Scholarship at Somerville College, Oxford through the Margaret Thatcher Scholarship Trust

In 2022, the Issuer launched two merit awards valued at S$5,000 each with the Singapore University of Technology and Design for the Data Analytics focus track and the Business Analytics and Operations Research focus track. The Issuer also established three yearly performance awards valued at S$3,000 each with the Singapore Institute of Technology in the disciplines of Computing Science, Information Security and Software Engineering. The awards have a three-year commitment and seek to recognise and encourage academic excellence among students in the disciplines related to the Issuer's business focus areas.

Since 2017, the Issuer has offered the ST Telemedia Catalyst Award at Temasek Polytechnic to sponsor promising final-year Singaporean students who require financial assistance. As of 2022, 34 students have benefitted from this programme.

Sustaining Industries

The Issuer supports efforts that help build capacity and foster awareness and understanding of strategic issues and options that shape and influence the world. In 2022, the Issuer supported a number of events that were focused on geopolitical issues, women in leadership and the green economy.

DIRECTORS AND MANAGEMENT

The Board is responsible for, amongst others, overseeing the Issuer's business, setting strategic objectives and deciding on significant matters. The day-to-day operations are entrusted to the President & Group Chief Executive Officer and a team of executive officers who are responsible for the different functions of the Issuer.

Board of Directors

The Board comprises the following directors:

Name	Designation
Mr Teo Ek Tor	Non-Executive Chairman
Mr Stephen Geoffrey Miller	Director, President & Group Chief Executive Officer
Mr Sio Tat Hiang	Non-Executive Director
Mr Lim Ming Seong	Non-Executive Director
Mr Lim Ah Doo	Non-Executive Director
Mr Liu Chee Ming	Non-Executive Director
Mr Justin Weaver Lilley	Non-Executive Director
Mr Vicente Santiago Pérez, Jr.	Non-Executive Director

Mr Teo Ek Tor

Non-Executive Chairman

Mr Teo Ek Tor serves as Non-Executive Chairman of the Issuer. He is concurrently Chairman of Asia Mobile Holdings and Director of StarHub.

Mr Teo is Chairman of PrimePartners Group Pte Ltd, PrimePartners Corporate Finance Pte Ltd and Aris PrimePartners Asset Management Pte Ltd, a joint venture asset management company based in Singapore.

Mr Teo has vast experience in investment banking and asset management in Asia, and brings with him in-depth financial and analytical expertise. He has contributed to the development of two major regional investment banking groups, Morgan Grenfell Asia (1980-1993) and BNP Prime Peregrine (1997-1999). He has held senior executive positions within the Morgan Grenfell Asia group and was the Regional Managing Director of BNP Prime Peregrine (Singapore) Ltd.

Mr Teo holds a Bachelor of Arts, Honours in Business Administration, from the University of Western Ontario, Canada.

Mr Stephen Geoffrey Miller

Director and President & Group Chief Executive Officer

Mr Stephen Geoffrey Miller is President & Group Chief Executive Officer of the Issuer. He is a member of the Issuer's Board of Directors. In this role, he is responsible for the Issuer's strategic direction, leadership and continued growth.

Mr Miller joined the Issuer in 2005 and has held various senior positions including President & Chief Operating Officer and Chief Financial Officer. Prior to his current position, he was a Consultant to the Issuer for its portfolio companies. Mr Miller played a crucial role in enhancing the Issuer's business competitiveness and asset portfolio while simultaneously maintaining prudent financial management.

Prior to joining the Issuer, Mr Miller was Financial Advisor to the Issuer on the combination of its data centre business with Equinix and Pihana Pacific, creating the world's largest carrier-neutral data centre network.

Mr Miller has over 25 years of global investment, financial management, strategic planning and CMT industry experience. He spent over 14 years of his career in investment banking with Credit Suisse, primarily heading its telecommunications and media group throughout Asia and the Pacific.

Mr Miller holds a Bachelor's Degree in Commerce, with First Class Honours in Economics and Finance, from the University of New South Wales, Australia.

Mr Sio Tat Hiang

Non-Executive Director

Mr Sio Tat Hiang serves as Non-Executive Director of the Issuer and Deputy Chairman of STTC.

Mr Sio is also Chairman of STT GDC India in India, Vice Chairman of GDS Holdings and Director of U Mobile Sdn Bhd.

Mr Sio was previously Chairman of STT GDC in Singapore, Chairman of Virtus in the UK and Executive Director of the Issuer. He is a key member of the Issuer's founding team and played a vital role in the Issuer's development and growth including the formation of STT GDC.

Prior to joining the Issuer, Mr Sio has held various senior roles in corporate finance and investment management at ST, the former parent of the Issuer.

Mr Sio graduated with a Bachelor of Business Administration with Honours from the former University of Singapore and attended the Senior Management Programme at the London Business School in the UK.

Mr Lim Ming Seong

Non-Executive Director

Mr Lim Ming Seong serves as Non-Executive Director of the Issuer. He also sits on the board of U Mobile.

Mr Lim was appointed as Non-Executive and Independent Director of CSE Global Limited in January 1997 and has been the Board Chairman since then. His date of last re-election as a director was in April 2021.

Mr Lim was also the Board Chairman of First Resources Ltd and a Director of StarHub but has since stepped down from these two companies in 2021.

Mr Lim has held various senior positions within the ST group from 1986 to 2002, where he left as Group Director. Prior to joining the ST group, Mr Lim served as the Deputy Secretary with Singapore's Ministry of Defence.

Mr Lim is a fellow in the Institute of Engineers Singapore and Singapore Institute of Directors.

Mr Lim holds a Bachelor of Applied Science (Honours) with a major in Mechanical Engineering from the University of Toronto and a Diploma in Business Administration from the former University of Singapore. Mr Lim also participated in the Advanced Management Programmes conducted by INSEAD and the Harvard Business School.

Mr Lim Ah Doo

Non-Executive Director

Mr Lim Ah Doo serves as Non-Executive Director of the Issuer.

Mr Lim is also Non-Executive Director of STT GDC India in India and U Mobile, and an Independent Non-Executive Director of GDS Holdings.

Mr Lim is Chairman of Olam Group Limited and sits on the boards of Singapore Technologies Engineering Ltd and GP Industries Limited.

Mr Lim was previously director on the board of STT GDC in Singapore. He brings over 40 years of banking and commerce experience, having held several senior positions including chairing Morgan Grenfell (Asia), as well as President and Vice Chairman of RGE Pte Ltd (formerly known as RGM International Pte Ltd).

Mr Lim holds an Honours degree in Electrical Engineering from the Queen Mary College, University of London and Master in Business Administration from the Cranfield School of Management.

Mr Liu Chee Ming

Non-Executive Director

Mr Liu Chee Ming serves as Non-Executive Director of the Issuer.

Mr Liu is currently the Managing Director of Platinum Holdings Company Limited, which he established in March 1996. Mr Liu is an Independent Non-Executive Director and the Chairman of the Audit and Risk Committee of OUE Commercial REIT Management Pte. Ltd. since September 2019. He is also an Independent Director of OUE Hospitality Trust Management Pte. Ltd. since June 2013. In June 2018, he was appointed as an Independent Non-Executive Director of DBS Bank (Hong Kong) Limited. He was also appointed as a Director of SingEx-Sphere Holdings Pte Ltd (now known as Constellar Holdings Pte. Ltd.) in April 2021 and a Non-Executive Director of MGM China Holdings Limited in May 2021.

Mr Liu was a member of the Takeovers Appeal Committee and the Deputy Chairman of the Takeovers and Mergers Panel of the Securities and Futures Commission in Hong Kong from April 2008 to March 2010, April 2014 to March 2016 and April 2018 to March 2020. Since July 2019 he has been appointed as a member of the Listing Review Committee of the Stock Exchange of Hong Kong Limited.

Mr Liu has been a Governor of the Singapore International School (Hong Kong) since May 2006 and was appointed as the Chairman of the Board of Governors of the Singapore International School (Hong Kong) in January 2020.

Mr Liu was an Independent Supervisor of the Supervisory Committee of Dalian Wanda Commercial Properties Co., Ltd. (a company which was listed on the HKSE and privatised in September 2016) from May 2015 to March 2019.

Mr Liu has over 40 years of experience across the financial services sector across Asia Pacific.

Mr Liu holds a Bachelor of Business Administration from the former University of Singapore.

Mr Justin Weaver Lilley

Non-Executive Director

Mr Justin Weaver Lilley serves as Non-Executive Director of the Issuer. Mr Lilley has more than 30 years of experience in the telecommunications, media and technology industry, including advising the U.S. government on a wide range of telecommunications, media and technology issues.

In 2003, Mr Lilley started TeleMedia Policy Corp, a legal and policy consulting firm for a wide range of telecommunications, media and technology companies.

Mr Lilley holds a Bachelor of Arts degree in Economics and Religion from Trinity College, a graduate degree in International Relations from London School of Economics, and a law degree from The Catholic University of America.

Mr Vicente Santiago Pérez, Jr.

Non-Executive Director

Mr Vicente Santiago Pérez, Jr. serves as Non-Executive Director of the Issuer.

Mr Pérez is Chairman of Alternergy, a listed renewable company in wind, solar, run-of-river and battery storage.

Mr Pérez was the Philippine Energy Minister from June 2001 to March 2005, and served briefly as Undersecretary for Industry at the Department of Trade and Industry, and as Managing Head of the Board of Investments in early 2001. Prior to entering public service, Mr Pérez spent 17 years at Mellon Bank in Pittsburgh and Lazard Frères' offices in London, New York and Singapore. He founded the private equity firm Next Century Partners.

Mr Pérez obtained an MBA from Wharton Business School of the University of Pennsylvania and a Bachelor's degree in Business Economics from University of the Philippines.

Key Executive Officers

In addition to Mr Stephen Geoffrey Miller (President & Group Chief Executive Officer of the Issuer), the following are the key executive officers of the Issuer:

Name	Designation
Mr Bruno Lopez	Deputy Chief Executive Officer and President and Group Chief Executive Officer, STT GDC
Mr Steven Terrell Clontz	Senior Executive Vice President, International
Mr Richard Lim	Chief of Organisation Development & Senior Executive Vice President
Mr Johnny Ong	Chief Financial Officer & Senior Executive Vice President
Mr Chan Jen Keet	General Counsel & Executive Vice President
Mr Kyle Lee	Head of Corporate Development & Executive Vice President
Mr Alvin Oei	Head of Investees and Business Development & Senior Vice President
Ms Lee Pui Yee	Group Treasurer & Senior Vice President
Mr Tee Beng Huat	Managing Director, China & Senior Vice President
Ms Melinda Tan	Head of Strategic Relations and Communications & Senior Vice President
Mr Freddy Teoh	Head of Risk Management & First Vice President

Mr Bruno Lopez

Deputy Chief Executive Officer and President & Group Chief Executive Officer, STT GDC

Bruno Lopez is Deputy Chief Executive Officer of the Issuer and President & Group Chief Executive Officer of STT GDC. He is responsible for driving the growth of the Issuer's data centre business and providing the overall leadership and direction of the STT GDC group.

Mr Lopez joined the Issuer in June 2014 and has led STT GDC since its inception. Under his leadership, Mr Lopez has rapidly grown the company's footprint to more than 144 integrated data centres across a global platform.

An industry veteran in the telecommunications and data centre sectors with more than 25 years of experience, Mr Lopez was previously Chief Executive Officer and Executive Director of Keppel Data Centres where he was instrumental in leading the company's growth and expansion in Asia and Europe. He was also responsible for establishing Securus Data Property Fund, an investment fund focused on data centre assets in the Asia Pacific region, Europe and the Middle East.

Mr Lopez holds a Bachelor of Arts degree with Honours from the National University of Singapore and a Master's degree from Rutgers University, U.S..

Mr Steven Terrell Clontz

Senior Executive Vice President, International

Mr Steven Terrell (Terry) Clontz is Senior Executive Vice President, International, of the Issuer. In this role, he is responsible for stewarding the Issuer's global investments.

Mr Clontz is a well-regarded veteran in the telecommunications and media industry with over 50 years of extensive experience. He was Chief Executive Officer of StarHub for 11 years before retiring on 1 January 2010. During his tenure at the helm of StarHub, Mr Clontz has led the company in a number of major milestones including the transformation of StarHub from being Singapore's third mobile player in 2000 to a fully-integrated "quad-play" service provider; merging StarHub with the then Singapore Cable Vision in 2002; bringing StarHub public in 2004 on the Main Board of the SGX-ST; and advancing StarHub's market position to become Singapore's second largest mobile operator in 2005.

Mr Clontz started his career in the U.S.. He was President and Chief Executive Officer of IPC Information Systems Inc., based in New York, and served in various roles in BellSouth International, including President of BellSouth International (Asia Pacific).

Mr Clontz holds a Bachelor of Science (Physics Major) from the University of North Carolina, U.S..

Mr Richard Lim

Chief of Organisation Development & Senior Executive Vice President

Mr Richard Lim is Chief of Organisation Development & Senior Executive Vice President of the Issuer. In this role, he oversees the Group's Executive Resources, Human Resources, Organisational Development, Information Technology and Corporate Administration functions.

Before joining the Issuer, Mr Lim has held regional roles in various leading multinational companies in the information technology, property, palm oil, and FMCG industries. His experience includes organisational change and development, leadership mentoring, and corporate strategy such as value-based management, corporate/business units planning, and mergers and acquisitions.

Mr Lim is a qualified Behavioural Consultant and a firm advocate of "Living From Vision" (Living Inside-out) and "Principle-Centred Leadership". He has conducted workshops on Stephen Covey's *The Seven Habits of Highly Effective People* and is a regular guest facilitator in management forums.

Mr Lim holds a Master's Degree in Human Resources Management from the University of Luton (now the University of Bedfordshire) and a Certificate of Advanced Management Program from Columbia Business School, Columbia University.

Mr Johnny Ong

Chief Financial Officer & Senior Executive Vice President

Mr Johnny Ong is the Chief Financial Officer & Senior Executive Vice President of the Issuer.

As Group Chief Financial Officer, he oversees all aspects of financial strategies and operations, accounting & financial reporting, taxation, corporate finance and treasury, internal controls, budgeting & planning, due diligence and evaluation of mergers and acquisitions transactions.

Before joining the Issuer, Mr Ong was the Vice President & Regional Chief Financial Officer of Dell and responsible for the Asia Pacific & Japan ("**APJ**") regional P&L with annual revenue exceeding US$13.5 billion. He was actively involved in launching start-up operations and driving growth initiatives across many countries throughout Dell APJ's journey from an annual revenue base of US$100 million to over US$13.5 billion. His 18 years' experience in Dell spanned from procurement to supply chain, manufacturing, logistics, sales & marketing, services and after-sales customer support.

Mr Ong was formerly the Financial Controller for Intel Malaysia's operations, which contributed 55% of the worldwide assembly and test production volume during the early to mid-1990s. He started his career in the late 1980s through articleship for Certified Public Accountant qualifications with Price Waterhouse and has won best performance medals at all stages of the national Certified Public Accountants examinations.

Mr Ong holds an MBA (with High Honours) from The University of Chicago Booth School of Business. He is a Certified Public Accountant of Singapore and a member of the Malaysian Institute of Accountants. He is also a fellow of the Association of Chartered Certified Accountants, UK.

Mr Chan Jen Keet

General Counsel & Executive Vice President

Mr Chan Jen Keet is General Counsel & Executive Vice President of the Issuer. In this role, he leads a team responsible for the Issuer's legal, regulatory and corporate secretarial affairs. Mr Chan joined the Issuer in 2005 as a Senior Legal Counsel. Prior to joining the Issuer, he practiced as an advocate and solicitor in Singapore with a main focus in capital markets, as well as mergers and acquisitions.

Mr Chan holds a Bachelor of Laws degree with Honours from the National University of Singapore.

Mr Kyle Lee

Head of Corporate Development & Executive Vice President

Mr Kyle Lee is Head of Corporate Development & Executive Vice President of the Issuer. In this role, he leads a team responsible for undertaking investments, mergers and acquisitions as well as strategic corporate development activities of the Issuer.

Mr Lee has 30 years of experience in the areas of finance, strategic and venture investments, as well as business development. Since joining the Issuer in 1998, he has led and/or participated in major investment and corporate development activities of the Issuer with respect to its communications, data centres and technology portfolio.

Prior to joining the Issuer, he held various positions in Asian-HQ organisations which included working and living in Vietnam and Myanmar.

Mr Lee holds a Bachelor's degree in Accounting from the National University of Singapore.

Mr Alvin Oei

Head of Investees and Business Development & Senior Vice President

Mr Alvin Oei is Head of Investees and Business Development & Senior Vice President of the Issuer. In this role, he is responsible for the overall monitoring and calibration of the Issuer's portfolio companies to identify strategic pathways and synergies. He is also responsible for maintaining industry-specific relationships with vendors and other industry participants.

Mr Oei brings with him over 34 years of experience in finance and business development. He joined the Issuer in 2000 and held different senior positions including head of the Issuer's data centre business in Thailand and Senior Vice President of Business Development. In the latter role, he was involved in investment activities relating to telecommunications, cable and broadband, data centres and technology such as data analytics, enterprise IoT, cyber security and network orchestration solutions.

Prior to joining the Issuer, he was Head of Treasury, Southern Region, at Citibank Australia. He has also worked for different conglomerates in Southeast Asia. During his career, he has lived and worked in Australia, Germany, Hong Kong, Indonesia, the Philippines and Thailand.

Mr Oei holds a Bachelor's degree in Accounting from Bentley University, Massachusetts, U.S..

Ms Lee Pui Yee

Group Treasurer & Senior Vice President

Ms Lee Pui Yee is Group Treasurer & Senior Vice President of the Issuer. In this role, she leads a team responsible for all treasury and tax matters of the Issuer.

Ms Lee brings with her over 25 years of experience in banking, treasury and investment management. Prior to joining the Issuer, she was Vice President & Corporate Treasurer at Kulicke & Soffa. She has also held various positions in other established organisations. These include Flextronics Manufacturing (Hong Kong), Honeywell (Singapore, China and Belgium), GIC (Singapore and United Kingdom) and DBS Bank Ltd.

Ms Lee holds an MBA from INSEAD and a Bachelor of Social Science (Honours) in Economics from the National University of Singapore. She is also a Chartered Financial Analyst.

Mr Tee Beng Huat

Managing Director, China & Senior Vice President

Mr Tee Beng Huat is Managing Director for China & Senior Vice President of the Issuer, where he spearheads investments and business development in China.

Since joining the Issuer as Vice President of Investment and Project Finance in 1996, Mr Tee has been instrumental in the astute financial evaluation of investment opportunities and business cases presented to the Issuer.

Prior to joining the Issuer, Mr Tee was a Project Finance Manager with The Mitsubishi Bank (now known as the MUFG Bank Ltd), a Financial Analyst with Singa Infrastructure Management (an advisory unit of GIC Private Limited), and a Business Development Manager with ST Energy.

Mr Tee holds an MBA and a Bachelor's degree in Engineering from the National University of Singapore.

Ms Melinda Tan

Head of Strategic Relations and Communications & Senior Vice President

Ms Melinda Tan is Head of Strategic Relations and Communications & Senior Vice President of the Issuer. She is responsible for external relations, strategic communications, branding, sponsorships, corporate social responsibility and corporate volunteerism.

Ms Tan leads a versatile and energetic team who is passionate about building and strengthening the Issuer's brand and reputation. She is closely involved in the Issuer's strategic initiatives and expansion, both Singapore and internationally. She is also led in the Issuer's brand identity refresh, positioning and extension in 2016.

Ms Tan has over 25 years of experience in branding, communications and stakeholder relations. She joined the Issuer in 1999 from global communications agencies including Euro RSCG (now part of Havas), Leo Burnett, and Ogilvy.

Ms Tan holds a B.A. (Communications) from Simon Fraser University in Canada and an MBA from RMIT University in Australia.

Mr Freddy Teoh

Head of Risk Management & First Vice President

Mr Freddy Teoh is Head of Risk Management & First Vice President of the Issuer. He is responsible for the Issuer's Enterprise Risk Management processes and leads its Environmental, Social and Governance (ESG) initiatives and strategy.

Mr Teoh brings with him more than 35 years of professional experience spanning accounting and finance, consulting, external audit, risk management, and regional internal audit in the Big 4 accounting firms and U.S. multi-nationals.

Mr Teoh holds a Bachelor of Commerce (Accounting) from the University of New South Wales and is a Certified Public Accountant of Singapore.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following sets out selected consolidated financial information for the Group as at and for the years ended 31 December 2020, 2021 and 2022. The selected consolidated financial information as at and for the years ended 31 December 2020, 2021 and 2022 should be read in conjunction with the audited consolidated financial statements of the Issuer and the related notes thereto, which are included elsewhere in this Information Memorandum. The consolidated financial statements of the Issuer have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

Selected income statement information

	2020	2021	2022
	S$'m Audited	S$'m Audited	S$'m Audited
Sale of equipment	593	611	633
Mobile revenue	1,574	1,501	1,523
Entertainment revenue	188	180	216
Broadband revenue	176	194	242
Enterprise business revenue	645	705	864
Data centres co-location services	615	842	1,041
e-Business solutions and consulting services	88	101	123
Maintenance and installation services	74	70	85
Total revenue	**3,953**	**4,204**	**4,727**
Net expenses[(1)]	(2,922)	(3,037)	(3,591)
Depreciation, amortisation and impairment	(868)	(829)	(895)
Profit from operations	**163**	**338**	**241**
Net finance expenses	(289)	(217)	(313)
Share of results of associates and joint ventures, net of tax	(70)	(176)	(134)
Other income/(expense)	243	44	(111)
Profit/(loss) before tax	**47**	**(11)**	**(317)**
Tax income/(expense)	104	(16)	(47)
Profit/(loss) for the year	**151**	**(27)**	**(364)**
Attributable to:			
Equity holders of the Issuer	91	(89)	(365)
Non-controlling interests	60	62	1
Profit/(loss) for the year	**151**	**(27)**	**(364)**

Selected statement of comprehensive income information

	2020	2021	2022
	S$'m Audited	S$'m Audited	S$'m Audited
Profit/(loss) for the year	**151**	**(27)**	**(364)**
Other comprehensive income			
Net change in fair value of financial assets at fair value through other comprehensive income, net of tax	(79)	(10)	(6)
Translation differences relating to foreign operations	(16)	—	(191)
Share of other comprehensive income of associates and joint ventures, net of tax	20	78	(189)
Others	(16)	27	77
Other comprehensive income for the year, net of tax	**(91)**	**95**	**(309)**
Total comprehensive income for the year	**60**	**68**	**(673)**
Attributable to:			
Equity holders of the Issuer	20	—	(662)
Non-controlling interests	40	68	(11)
Total comprehensive income for the year	**60**	**68**	**(673)**

(1) Net expenses comprise cost of equipment sold, cost of telecommunications services, cost of co-location services, cost of cloud services, marketing and promotion expenses, staff costs, rental expenses, loss allowances and other operating expenses.

Selected balance sheet information

	31 December 2020	31 December 2021	31 December 2022
	S$'m Audited	S$'m Audited	S$'m Audited
Property, plant and equipment	4,319	5,001	5,109
Associates and joint ventures	2,085	1,979	1,833
Intangible assets	2,644	2,599	2,560
Right-of-use assets	1,290	1,306	1,310
Other long-term assets	640	662	835
Non-current assets	**10,978**	**11,547**	**11,647**
Cash and cash equivalents	1,737	2,404	2,947
Other current assets	1,205	1,337	1,489
Current assets	**2,942**	**3,741**	**4,436**
Total assets	**13,920**	**15,288**	**16,083**
Borrowings	5,738	6,330	6,133
Other liabilities	937	644	657
Non-current liabilities	**6,675**	**6,974**	**6,790**
Borrowings	399	459	704
Other liabilities	1,929	2,040	2,279
Current liabilities	**2,328**	**2,499**	**2,983**
Non-controlling interests	841	938	1,275
Equity attributable to equity holders of the Issuer	4,076	4,877	5,035
Total equity	**4,917**	**5,815**	**6,310**
Total equity and liabilities	**13,920**	**15,288**	**16,083**

Selected cash flow statement

	2020	2021	2022
	S$'m Audited	S$'m Audited	S$'m Audited
Cash flows generated from operating activities	995	1,102	1,149
Cash flows used in investing activities	(1,829)	(1,309)	(1,440)
Cash flows generated from financing activities	918	880	850
Net increase in cash and cash equivalents	84	673	559
Cash and cash equivalents at the beginning of the year	1,624	1,708	2,381
Cash and cash equivalents for purpose of cash flow statement	**1,708**	**2,381**	**2,940**
Cash collateral placed with financial institutions	29	23	7
Cash and cash equivalents at the end of the year	**1,737**	**2,404**	**2,947**

Other selected financial information

	31 December 2020	31 December 2021	31 December 2022
	S$'m	S$'m	S$'m
Total equity	**4,917**	**5,815**	**6,310**
Total borrowings	**6,137**	**6,789**	**6,837**
Net debt(2)	**4,400**	**4,385**	**3,890**

	31 December 2020	31 December 2021	31 December 2022
Ratio of total borrowings to total equity	**1.25x**	**1.17x**	**1.08x**
Ratio of net debt to total equity	**0.89x**	**0.75x**	**0.62x**

(2) Net debt is not determined in accordance with SFRS(I) as SFRS(I) does not prescribe the computation methodology of net debt. Net debt of the Group is computed by subtracting cash and cash equivalents (excluding bank overdrafts) from total borrowings. Net debt of the Group may not be comparable to that of other companies that may determine net debt differently. Net debt of the Group is presented as an additional measure because management believes that some investors find it to be a useful tool for assessing the Group's financial leverage. It should not be considered in isolation or as an alternative to total borrowings as a measure of the Group's total debt obligations.

The following table sets forth the key subsidiary contributors to the Group's revenue and profit/(loss) for the year[(3)].

	2020	2021	2022
	S$'m	S$'m	S$'m
Revenue			
StarHub	2,029	2,043	2,327
TeleChoice	213	194	233
U Mobile	1,045	1,046	1,017
STT GDC	633	861	1,060
Profit/(loss) for the year[(4)]			
StarHub	160	150	70
TeleChoice	(5)	(3)	(12)
U Mobile	5	2	(4)
STT GDC	31	(95)	(228)

Comparison of results of operations for FY2022 with FY2021

Revenue

Revenue increased by S$523 million, or 12.4%, from S$4,204 million for FY2021 to S$4,727 million for FY2022, mainly due to increase in revenue contribution from StarHub and STT GDC. The increase in StarHub's revenue was driven by higher contributions from all segments. In particular, broadband and business enterprise revenues increased mainly due to the consolidation of MyRepublic Broadband, JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. The increase in STT GDC revenue was in line with an increase in billable capacity driven by growing utilisation by hyperscale cloud service providers as more data centre sites went live.

Profit from operations

Profit from operations decreased by S$97 million, or 28.7%, from S$338 million for FY2021 to S$241 million for FY2022. The decrease was mainly attributable to a year-on-year decline in the operating results of StarHub due to higher operating expenses which included non-recurring provisions related to StarHub's ongoing DARE+ initiatives and impairment loss of network assets and intangibles arising from the shutdown of legacy infrastructure and the discontinuation of a business line of a subsidiary.

Loss before tax

Loss before tax increased by S$306 million, from S$11 million for FY2021 to S$317 million for FY2022, mainly due to lower profit from operations coupled with higher net finance costs arising mainly from higher interest rates and borrowings; the effects of the application of hedge accounting by a subsidiary during the year; and the absence of gain from the early settlement of spectrum licence liability by a subsidiary in FY2021. In addition, other expenses increased by S$155 million, from other income of S$44 million for FY2021 to other expenses of S$111 million for FY2022 mainly due to fair value losses on the Group's financial assets and impairment loss on goodwill relating to certain of the Group's subsidiaries.

Tax expense

Tax expense increased by S$31 million, from S$16 million for FY2021 to S$47 million for FY2022 mainly due to the recognition of deferred tax related to unremitted interest income from a foreign subsidiary during the year and the absence of the effects of deferred tax asset recognised by U Mobile in the prior year.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by S$61 million, from S$62 million for FY2021 to S$1 million for FY2022, mainly attributable to a year-on-year decline in results from StarHub and

(3) The revenue and profit/(loss) for the year figures in the table above are before taking into account intra-group consolidation eliminations.

(4) The above table reflects profit/(loss) for the year of the subsidiaries after taking into account consolidation adjustments necessary to give effect to uniform accounting policies and acquisition-date fair value differences in relation to the identifiable assets and liabilities of the subsidiaries.

TeleChoice as well as share of loss arising from the dilution of interest in Virtus during the year when Macquarie Asset Management took a 40 per cent. stake in Virtus.

Loss attributable to the equity holders of the Issuer

As a result of the foregoing factors, loss attributable to the equity holders of the Issuer increased by S$276 million, from S$89 million for FY2021 to S$365 million for FY2022.

Comparison of results of operations for FY2021 with FY2020

Revenue

Revenue increased by S$251 million, or 6.3%, from S$3,953 million for FY2020 to S$4,204 million for FY2021, mainly driven by increase in revenue contribution from STT GDC, in line with an increase in utilisation rates from hyperscale cloud service providers as more data centre sites went live.

Profit from operations

Profit from operations increased by S$175 million, or 107.4%, from S$163 million for FY2020 to S$338 million for FY2021, mainly attributable to a year-on-year improvement in the operating results of STT GDC, in line with its revenue growth, and a year-on-year decrease in the operating expenses of U Mobile mainly due to the absence of the effects of accelerated depreciation and amortisation of certain legacy assets in FY2020.

Loss before tax

Loss before tax increased by S$58 million, from a profit of S$47 million for FY2020 to a loss of S$11 million for FY2021 mainly due to the absence of a S$268 million gain on dilution of interest in GDS Holdings recognised in other income in FY2020 and higher share of losses of associates and joint ventures primarily due to higher losses from GDS Holdings and Armor. This was partially offset by higher profit from operations and higher finance income mainly due to gain from the early settlement of spectrum licence liability by a subsidiary and fair value gain on derivatives.

Tax expense

Tax expense increased by S$120 million, from tax income of S$104 million for FY2020 to tax expense of S$16 million for FY2021, mainly due to higher deferred tax assets recognised by U Mobile in FY2020, compared to FY2021.

Profit/loss attributable to non-controlling interests

Profit attributable to non-controlling interests increased by S$2 million, or 3.3%, from S$60 million for FY2020 to S$62 million for FY2021, mainly attributable to a year-on-year improvement in results from TeleChoice and STT GDC India, partially offset by a year-on-year decline in results from StarHub.

Profit/(loss) attributable to the equity holders of the Issuer

As a result of the foregoing factors, profit attributable to the equity holders of the Issuer decreased by S$180 million, from a profit of S$91 million for FY2020 to a loss of S$89 million for FY2021.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer believes are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

The risk factors set out below do not purport to be a complete or comprehensive list of all the risk factors that may affect the Issuer's ability to fulfil its obligations under the Securities or any decision to purchase, own or dispose of the Securities. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and/or the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or that the Issuer currently deems to be immaterial which may in the future become material risks. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Limitations of this Information Memorandum

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in any Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such determination. Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or any Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered a recommendation by the Issuer, the Trustee, the Agents or any Dealer that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any Securities. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, any of its subsidiaries, associated or other portfolio companies, the Trustee, the Agents or any Arranger or Dealer or any person affiliated with any of them in connection with its investigation of the accuracy or completeness of the information contained herein or any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient contemplating subscribing for or purchasing or selling Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the relevant Securities and any other factors relevant to its decision, including the merits and risk involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in any Securities.

RISKS ASSOCIATED WITH THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

Risks affecting the Group's business generally

The Group may be affected by any changes to the political, economic, regulatory or social conditions globally and in the countries and industries in which it currently operates and/or invests or intends to operate and/or invest in the future

With a presence in countries such as the United States, Singapore, the PRC, India, the UK, Malaysia, Laos, Thailand, Japan, South Korea, Indonesia and the Philippines, the Group is exposed to developments in the global economy as well as the industries and geographical markets in which it currently operates and/or invests or intends to operate and/or invest in the future. The Group is subject to the laws, regulations and government policies in each country in which it operates and/or invests in and its business, financial condition, prospects and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy.

Political, economic and other factors such as the recent outbreak of war between Russia and Ukraine and the ongoing trade war between the United States and the PRC and the impact of such continued geopolitical tensions and uncertainties on the global economy, the effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including those of the United States, the rising interest rate environment, rising inflation, rising energy costs, supply chain disruptions and the impact of the global downturn on the economies of the countries in which the Group's businesses are located could adversely affect the Group's business, financial condition, prospects and results of operations. The COVID-19 pandemic has also had a significant adverse impact on the global economy. See "*Risks affecting the Group's business generally –The outbreak of an infectious disease or any other serious public health concerns or the occurrence of a natural or man-made disaster could adversely impact the Group's business, financial condition, prospects and results of operations"* for more information.

Besides COVID-19, the global economy and credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Recently, the financial conditions of selected banking institutions have come under severe pressure and deterioration, as exemplified by the restructuring of Credit Suisse Group AG and the failures of Silicon Valley Bank and Signature Bank in the first quarter of 2023 which has caused increased volatility in capital markets. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. These events have resulted in an increased difficulty in borrowing from financial institutions and an increased risk of counterparty default. These events could adversely affect the Group's business, financial condition, prospects and results of operations, as a result of, among other things, failure of financial and other institutions, negatively impacting treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

Geopolitical instability, changes in political situations and governments in various parts of the world, trade wars and volatility in oil prices contribute to economic instability in those and other regions. Significant uncertainty regarding the rising debt burden and slow down of growth in the PRC which has affected consumer confidence and concerns about the PRC's economy and the ability of certain European sovereigns to pay their debt have also caused unstable market conditions. In addition, the effect of the UK's exit from the European Union (also known as "**Brexit**") is uncertain. Despite the EU-UK Trade and Cooperation Agreement having come into force, Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the Euro and British pound in particular. These events, coupled with continued uncertainty in the global financial markets and economy, could adversely affect the Group's business, financial condition, prospects and results of operations.

Part of the Group's strategy involves expanding its data centre business into emerging markets. In recent years, these markets have been amongst the world's fastest growing economies in terms of gross domestic product growth. However, such growth has begun to slow down and there is no assurance that growth will be sustained or that these countries will not experience negative growth in the future.

A deterioration or slow down in the global economies or countries in which the Group has a presence or intends to invest in, unstable market conditions (including credit markets) or geopolitical instability may have an adverse effect on the Group's prospects, business, financial condition and results of operations (including making impairments to the Group's investments).

The Group may also be adversely affected by exchange controls, changes in taxation laws, changes in foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which the Group operates and/or invests.

Fluctuation of market values of securities and dividends from portfolio companies may adversely impact the financial performance of the Group

The Group has investments in a number of companies and is dependent on the receipt of dividends from these portfolio companies for its cash flow requirements although these portfolio companies may not be obligated to pay dividends to the Group. The ability of these portfolio companies to pay dividends to the Group is subject to many factors, including the performance and cash flow requirements of these portfolio companies, and global and local economic conditions. The insufficiency of cash flow from dividends from these portfolio companies, as well as any fluctuation in the market values of the investments held by the Group, may have a material adverse effect on the financial performance and operations of the Group. Further, the operations of the portfolio companies may not meet the expectations of the Group and in such cases, the financial performance and condition of the Group may be adversely affected.

The Issuer has significant interests in several listed companies such as TeleChoice and GDS Holdings. In particular, the Issuer has a majority interest in StarHub, a Singapore-based fully integrated info-communication company whose securities are listed on the Main Board of the SGX-ST. The profit contribution and dividends from StarHub have been a significant part of the Issuer's recurrent income and cashflow. The Group's financial condition and results of operations may be materially affected by the performance and fluctuations in market values of securities of these portfolio companies.

The Group is subject to risks inherent in investing in companies which it does not control or have a controlling stake

The Group does not control or have a controlling stake in certain portfolio companies. The performance of these portfolio companies and the Group's share of their results are subject to the same or similar risks that affect the Group as described in this section, including risks that affect the Group's general business and operations and risks relating to the countries in which the Group operates in.

The Group may seek to influence the management, operation and performance of these portfolio companies, but ultimately does not have the control or a controlling stake in such entities. Accordingly, there is no certainty that these portfolio companies and/or the other shareholders of these portfolio companies will have economic or business interests that are aligned with the Group's interests or strategies. These portfolio companies may also not act in the interest of the Group or may act contrary to the Group's instructions, requests, policies or objectives. Disagreements may occur between the Group, the portfolio companies and/or the other shareholders of these portfolio companies, regarding the business, strategy and operations of these portfolio companies and may not be resolved amicably, or may take time to resolve, or may not result in a positive outcome for the Group. In addition, these portfolio companies and/or the other shareholders of these portfolio companies may be unable or unwilling to fulfil their obligations, may have financial difficulties or may have disputes with the Group as to the scope of their responsibilities and obligations. The above factors could adversely affect the Group's ability to deal with its investments in a manner which achieves its objective and in turn could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Additionally, in light of the current economic climate, these portfolio companies which the Group does not control or have a controlling stake in may not be able to fulfil their respective contractual obligations, or may experience a decline in creditworthiness. The occurrence of any of these events may materially and adversely affect the performance of these portfolio companies, which in turn may materially and adversely affect the Group's business, financial condition, prospects and results of operations.

The Group's success in the future will depend on the successful implementation of its strategies

The Group's success in the future will depend on its continued ability to implement its strategies. There can be no assurance that the Group will be able to successfully implement its strategies which may require new expertise, substantial process or systems changes. Whether the Group succeeds in pursuing new growth opportunities will depend on its ability to identify and complete acquisitions or reach agreement with potential partners on favourable terms. There is no assurance that such opportunities or agreements can be identified or reached on satisfactory terms or at all.

The Group anticipates that its future growth will come partly from the expansion of its operations outside Singapore. The Group's overseas business and investments are located in both developing and developed countries. Overseas expansion will also include entering into new markets. The Group's business and the implementation of its strategies are subject to various risks beyond its control, such as the instability of foreign economies and governments, and changes in laws and policies affecting investment activities. The events arising from such risks could potentially affect the Group's business or investments overseas in the future. Further, any failure by the Group to manage its operations and investments, particularly those outside Singapore, could have an adverse impact on the Group's business, results of operations and financial condition.

The Group is subject to technology risks in the industry

Rapid and significant technological changes, evolving industry standards, changing customer needs, emerging competition and frequent new product and service introductions are typical in the industries which the Group currently invests and operates in and, intends to invest and operate in going forward, and these factors may materially affect the Group's expenditure and operating costs as well as the demand for the Group's products and services. The Group has invested substantial capital and resources into the development and modernisation of its networks, systems and technologies. With the rapid advancement in technology, the Group's assets may face obsolescence before the end of their expected useful lives which may result in impairment losses. Changes and advancement in technologies may require the Group to replace and upgrade its infrastructure at an earlier stage than expected. As a result, the Group may incur significant additional capital expenditure in order to keep abreast with the latest technological standards and remain competitive against newer products and services. The Group continues to face the risk of market entry by new entrants who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. The Group's competitors may be comparatively more effective in terms of developing, marketing or utilising new technologies, products and services thereby resulting in a loss of market share for the Group and adversely affect the Group's financial performance. As technologies may not be developed and implemented in a timely manner and/or on a cost-effective basis, this could delay the implementation of new services, reduce the quality and functionality of the Group's services, increase its operational costs, reduce its actual and potential market share, hinder it from realising its revenue streams, or could have an adverse impact on the Group's business, results of operations and financial condition.

The Group operates in capital intensive industries

The Group operates in capital intensive industries that require significant capital expenditure. Amongst others, the Group is required to make capital expenditures to develop, maintain, upgrade and expand the facilities and infrastructure to keep pace with competitive developments, technological advances, evolving safety standards and governmental regulations. The Group may not be able to fulfil all its funding requirements from the resources available to it and may need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms. If the Group decides to incur more debt, its interest payment obligations will increase and it may be subject to additional restrictive conditions from lenders. In addition, the expansion of the Group and pursuit of business opportunities may require it to have access to significant amounts of capital.

The Group's ability to finance its capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond its control, including tariff regulations, borrowing or lending restrictions imposed by applicable government regulations and general economic, capital market conditions and interest rates. No assurance can be given that the Group will be able to obtain financing to meet its capital expenditure requirements, either on a short-term or long-term basis on terms favourable to the Group or at all.

In addition, further consolidation in the banking industry in Singapore and/or elsewhere may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to any one company or sector. Any significant change in the Group's contemplated financial requirements and development costs may have an adverse effect on its cash flows, financial condition and results of operations.

The Group may be unable to obtain future financing on favourable terms, if at all, to fund its operations and investments

The Group may be required to raise additional funds for its future capital needs or to refinance its current indebtedness and it is possible that various portfolio companies may require funding at or around the same time. In such an event, there can be no assurance that funding, if needed, will be available on terms that the Group considers favourable, or at all. A material portion of the Group's expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. Furthermore, any debt financing, if available, may involve restrictive covenants and as part of the Group's borrowing activities, it is exposed to the risk of potential and actual breaches of financial covenants in the Group's indebtedness which may also result in accelerated demands of payment or calls for events of default by lenders. In addition, the disruptions experienced in the past in the international capital markets have also led to reduced liquidity and increased credit risk premiums for certain market participants, and have resulted in a reduction of available financing. If the Group is unable to borrow the amounts required on favourable terms, it may be unable to pursue its planned strategy, and there can be no assurance that future conditions in the financial markets will not adversely affect its ability to finance its operations and investments.

Failure to effectively manage and integrate acquisitions may adversely impact the Group's growth and profitability

The Group has made investments through acquisitions of assets in recent years and continues to evaluate merger and acquisition opportunities as part of its growth strategy. The Group may commit itself to mergers or acquisitions in the future if suitable opportunities arise. These may require significant investments which may not result in favourable returns. The Group may invest or enter into new industries or business segments in which it may not have substantial previous experience and may result in overpaying for such acquisitions. Mergers and acquisitions involve additional risks, including unforeseen contingent risks or latent liabilities relating to these businesses that may become apparent only after the merger or acquisition is completed.

Achieving the anticipated benefits of any acquisition depends in part upon whether the Group can integrate its businesses in an efficient and effective manner. The integration of any acquired businesses involves a number of risks, including, but not limited to failure to fully achieve expected synergies and costs savings, loss of customers, failure to provide services that are ordered by customers and higher integration costs than anticipated. Due to the difficulties in combining geographically distant operations and systems which may not be fully compatible, the Group may not be able to achieve these objectives.

Any inability to effectively manage, develop, integrate and/or operate its new investments or business segments may have an adverse impact on the Group's business, financial condition and results of operations.

The Group's venture into new revenue streams, non-traditional businesses or unfamiliar markets may not be successful

There is no assurance that the Group's venture into its newer revenue streams, non-traditional businesses or unfamiliar markets, such as the Data Centres (including the most recent investments in new markets) and Infrastructure Technology businesses, will be successful as these ventures may require substantial capital, new expertise, market knowledge, understanding of the local economy, forging of new business relationships in the relevant markets, considerable process or systems changes, government and planning procedures, on-going compliance monitoring with respect to complex legal and regulatory requirements, dealing with intellectual property rights, transaction costs and organisational, cultural and mindset changes. Further, the Group may not be able to make acquisitions or investments or undertake businesses on favourable terms or within a desired time frame. Even if the Group were able to successfully acquire such investments or undertake such businesses, there is no assurance that the Group will achieve its intended benefits and returns on such investments and businesses. In the event that the Group is not able to successfully enter into, develop and monitor these ventures, there may be a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group is affected by any possible loss of major customers, suppliers or service providers

There is no assurance that the Group will be able to continue to retain its major customers or maintain its major suppliers and service providers. In the event that any of the Group's major customers, suppliers or service providers ceases to have business dealings with the Group or materially reduces the level of business activities with the Group, the Group's business, financial condition and results of operations will be adversely affected.

The Group may lose customers if it experiences system failures that significantly disrupt the availability and quality of the services that it provides and system failures may also cause interruptions to service delivery and the completion of other corporate functions

The Group's operations depend on its ability to limit and mitigate interruptions or degradation in service for customers. Interruptions in service or performance problems for any reason, including integration related activities, could undermine confidence in the Group's services and cause the Group to lose customers or make it more difficult to attract new ones. In addition, as many of the Group's services are critical to the businesses of many of its customers, any significant interruption or degradation in service could result in lost profits or other losses to customers.

The failure of any equipment or facility on the Group's network, including on its operations control centres and data storage locations, could result in the interruption of customer service and other corporate functions until necessary repairs are effected or replacement equipment is installed. In addition, the Group's business continuity plans may not be adequate to address a particular failure that it experiences. Delays, errors, network equipment or network facility failures, including with respect to its network operations control centres and network data storage locations, could also result from natural disasters (including natural disasters that may increase in frequency as a result of the effects of climate change), disease, accidents, terrorist acts, power losses, security breaches, vandalism or other illegal acts, computer viruses, or other causes. The Group's business could be significantly hurt from these delays, errors, failures or faults including as a result of service interruptions, exposure to customer liability, the inability to install new services or the need for expensive modifications to its systems and infrastructure.

The Group is exposed to potential risks relating to security of customer data, privacy breaches and data loss. If the security and other measures employed by portfolio companies within the Group are breached or ineffective, or if their services are subject to attacks or other malicious actions that degrade or deny the ability of users to access their systems, products and services, companies within the Group may experience significant legal and financial exposure, their products and services may be perceived as not being secure, users and customers may curtail or stop using its products and services, and the Group's business may be disrupted

Network and information systems and other technologies are critical to the Group's business. Network and information systems-related events such as computer hackings, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks or other malicious activities, or any combination of these items, could result in a degradation or disruption of services provided by portfolio companies within the Group, damage to their properties, equipment and data, or unauthorised disclosure of confidential information. Companies within the Group may experience cyber-attacks against their networks and information systems of varying degrees, and as a result, unauthorised parties could obtain access to their data or their customers' data. The security measures of portfolio companies within the Group may also be breached due to employee error, malfeasance, or otherwise. In the case of the Group's info-communications business, while security measures are employed to protect the privacy of voice and information transmissions over networks, the risk of significant failure of encryption and security measures may not be fully mitigated. In the case of the Group's data centre business, high specification and redundancy requirements in the design of its data centres and operational and preventive maintenance programmes are intended to mitigate the risk of failing to meet service level commitments, but significant or prolonged service failures in its data centres, such as a breakdown in critical plant, equipment or services, whether or not within the control of the relevant portfolio companies within the Group, could result in service disruptions and data losses for their customers. Besides electronic cyber-security breaches, a party who is able to breach the Group's data centre security despite the high levels of physical security at its data centre premises could physically damage the Group and its customers' equipment and/or misappropriate the Group's proprietary information, the information of its customers or cause interruptions or malfunctions to the Group's and/or its customers' operations. In the case of portfolio companies within the Group's cloud managed and consulting services business, while the cloud service providers utilised are trusted and of international repute, there can be no assurance that the systems and processes designed by such cloud service providers to protect customer information will not fail to operate as intended or be circumvented. The systems of cloud service providers can be connected to other systems or networks, or may have policies controlled by the customer directly that could result in service disruptions and data losses that may not be within the control of such portfolio companies.

While the abovementioned and other portfolio companies within the Group develop and maintain systems, processes and strategies designed to prevent systems-related events, security breaches and other causes of disruption and data loss from occurring, the development and maintenance of these systems and processes is costly and requires ongoing monitoring and updating, for reasons such as changes in technologies and efforts to overcome security measures becoming more sophisticated. Despite efforts of portfolio companies within the Group, there can be no assurance that unauthorised access, security breaches and data loss will not occur in the future. In addition, because the techniques used to obtain unauthorised access, disable or degrade service, or sabotage systems change frequently and often are not recognised until launched against a target, the portfolio companies may be unable to anticipate these techniques or implement adequate preventative measures. In certain countries in which the portfolio companies operate, there are also data protection and/or privacy laws that impose certain obligations in respect of the collection, use and disclosure of personal data. Any unauthorised access, security breach or data loss could result in significant legal and financial exposure, including in respect of customer credits, lost revenue due to business interruption, increased expenditures on security measures, monetary damages, litigation and other proceedings, regulatory actions, fines and/or criminal prosecution. In addition, damage to the Group's reputation and the market perception of the effectiveness of its security measures could cause the portfolio companies to lose customers. Moreover, the amount and scope of insurance that portfolio companies within the Group maintain against losses resulting from unauthorised access, security breaches or data loss may not be sufficient to cover its losses or otherwise adequately compensate it for any disruptions to or loss to its businesses that may result. These consequentially may have a material adverse effect on the business, financial condition and results of operations of the Group as a whole.

The Group may incur additional costs or liquidated damages in the event of disputes, claims, defects or delays

The Group may also encounter disputes and claims with its customers. There can be no assurance that any such disputes and claims will not result in protracted litigation, which will have a negative impact on the profits, cash flow and financial position of the relevant portfolio company. In the event that customers suffer loss and damage which may be attributable to the portfolio companies, these customers may claim for such loss and damage against the portfolio companies, thereby adversely affecting the financial performance and condition of the Group as a whole.

The Group is affected by existing and possible new competitors

The Group operates in highly competitive markets and faces competition on a local, regional, national and international level. Maintaining or increasing its market share will depend upon its ability to anticipate and respond to various competitive factors affecting its business segments, including its ability to improve its processes, respond to pricing strategies of its competitors and adopt new technology efficiently.

The Group expects to face increased competition from existing competitors and any new entrants into the market in the future. Competitive factors include price, delivery schedule, quality/specifications and credit terms of the products and services offered by other providers. Some of the Group's competitors have longer operating histories, greater economies of scale, greater degrees of vertical integration, larger customer bases, stronger relationships with customers and other partners and possess greater financial, technical, political, marketing and other resources in the markets that the Group operates in or intends to venture into.

For example, the info-communication market is highly competitive and characterised by high penetration rates, changing customer expectations and unbundling threats. The regulators may grant licences to additional info-communication operators that may compete with the portfolio companies. These portfolio companies may also be subject to competition from providers of new info-communication services as a result of technological development, evolving industry standards and the convergence of various info-communication services, or through other means such as over-the-top content or mobile virtual network. Competitors of the portfolio companies may seek to offer bundled services with their other info-communication services which may compete directly with these portfolio companies' products and services. Such competitors may also enter into global or regional alliances which may give them a competitive advantage through greater access to a broader range of product offerings, increased leverage with suppliers, more competitive subscription agreements and more competitive pricing.

In addition, the Info-communications Media Development Authority of Singapore has issued a fourth mobile network operator licence to Simba Telecom Pte. Ltd. (formerly known as TPG Telecom Pte Ltd). Its presence in the Singapore mobile market could have a significant impact on market share, churn, average revenue per user and revenue levels in the Singapore mobile market. This might adversely affect StarHub.

There can be no assurance that the Group will be able to continue to compete successfully in the markets in which it operates. Any failure to compete effectively, including any delay in the Group's reaction to changes in market conditions, may affect its competitiveness, thereby reducing its market share and resulting in a decline in its revenues. If the Group fails to compete successfully against existing competitors and new entrants, its business, financial condition and results of operations may be adversely affected.

The Group is subject to interest rate fluctuations and counterparty risks

The Group has cash balances placed with reputable banks and financial institutions. The Group manages its interest rate risk by placing such balances on varying maturities and interest rate terms. The interest cost to be borne by the Group for its floating interest rate borrowings (if any) will be subject to fluctuations in interest rates. Although the Group enters into hedging transactions to mitigate the risk of interest rate fluctuations, there can be no assurance that its exposure to interest rate fluctuations will be adequately covered. As a result, the Group's business, financial condition, prospects and results of operations could potentially be adversely affected by interest rate fluctuations. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks. For example, such clauses state that to the extent that banks face difficulties in raising funds in the interbank market or pay materially more for interbank deposits than the displayed screen rates due to market disruption, they may pass on the higher costs of funds to the borrower despite the margins agreed.

The Group may enter into various transactions which will expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Group may enter into swap arrangements, which exposes it to the risk that the counterparty may default on its obligations to perform under the relevant contract and the Group's surplus funds are invested in interest-bearing deposits with financial institutions. In the event a counterparty, including a financial institution, is declared bankrupt or becomes insolvent, this may result in delays in obtaining funds or having to liquidate the position, potentially leading to losses.

The Group's performance may be affected by its ability to attract and retain personnel

The Group's future performance depends largely on its ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to foreign exchange risks

The Group is exposed to foreign exchange risks due to fluctuations in foreign exchange rates. The reason is that the Group's income, costs, cash flows, assets and liabilities are exposed to foreign exchange risks arising from various currency exposures when translated into the reporting currencies of the portfolio companies for financial reporting purposes. Consequently, portions of the Group's costs and margins are affected by fluctuations in the exchange rates of the relevant currencies. Whilst currently a significant portion of the Group's revenue and the dividends received by it are contributed by StarHub and denominated in Singapore dollars, there is no assurance that the other portfolio companies in the Group, whose results of operations are denominated in foreign currencies, may not yield significant dividends in the future. Although the Group enters into hedging transactions to mitigate the risk of foreign exchange rate fluctuations, there can be no assurance that its exposure to foreign exchange rate fluctuations will be adequately covered or that the Group will not be exposed to future exchange rate fluctuations in the relevant countries when capital and profits are repatriated back to Singapore.

The Group is exposed to general inflationary pressures

Future increases in prices of goods and services globally may negatively affect the economic growth and stability of countries in which the Group operates and/or invests. The economic and political conditions in these countries make it difficult to predict whether goods and services will continue to be available at prices that will not negatively affect economic growth and stability. There can be no assurance that future increases in prices generally in the countries in which the Group operates and/or invests will not lead to political, social and economic instability, which in turn could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's insurance coverage may not adequately protect it against certain operational risks

The Group's insurance policies, which are taken by the Issuer and/or the portfolio companies, cover various risks, including operational risks and risks of accidents which may result in injury or death.

However, such insurance may not be adequate to cover all losses or liabilities that may arise from the Group's operations, particularly when the loss suffered is not easily quantifiable. Even if the Group has adequate insurance coverage, it may not be able to successfully assert its claims for any liability or loss under the relevant insurance policies. Additionally, there may be various other risks and losses for which the Group is not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. In addition, certain types of risks (such as risks associated with war and other international conflicts) may be uninsurable or the cost of insurance may be prohibitive or not economically viable when compared to the risks.

In the event that a company within the Group is held liable, whether contractually or under the law, for any or all of such loss or damage or injury to or loss of life that is not covered by its insurance policies or the claims of which are in excess of its insurance coverage or are contested by the insurance companies, the Group's financial performance and position may be adversely affected.

The Group is exposed to various legal and regulatory risks

The Group has investments and operates in many countries. It is, from time to time, confronted with legal and regulatory requirements and judiciary systems in many jurisdictions. These include foreign ownership structure and restrictions, anti-trust regulations, national security applications, licensing requirements, sanctions, laws against illegal payments and trade barriers, as well as the risk of regulatory action by regulators. In June 2020, a cease-and-desist order was issued by the National Telecommunications Commission against, among others, the continued operation by Sky Cable of its Direct-To-Home (DTH) broadcast services. As a result, Sky Cable's DTH services were shut down on 30 June 2020. Notwithstanding the foregoing, Sky Cable's existing cable TV and broadband businesses that are operated through HFC and fibre-optic network continue to remain operational. Pending the closing of the proposed acquisition by PLDT Inc. of the broadband business and related assets of Sky Cable, the Issuer holds a 40%[2] economic interest in Sky Cable via Philippine Depositary Receipts. Any changes in these legal and regulatory requirements and actions may adversely affect the Group's operations or investments.

The Group may face difficulties in jurisdictions where the interpretation, application and enforcement of laws and regulations may be uncertain or unclear and may be subject to considerable discretion. The application of the laws and regulations may depend, to a large extent, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy. Interpretation of, compliance with and enforcement of, judicial or regulatory decisions, rulings, directives or guidelines may be uncertain or unclear, and the consequences thereof may not be manageable or predictable. Judicial decisions may not be systematically or publicly available and may not constitute binding precedent. Enforcement of laws and regulations may not be well established. There may not be public consultation or notice prior to changes in interpretation, application and enforcement of laws and regulations. Where the interpretation, application and enforcement of laws and regulations may be subject to uncertainty and considerable discretion, it could in practice lead to a challenging operating environment, increasing the difficulties involved in planning and managing a business, and may adversely affect the Group's operations and investments in these jurisdictions.

In connection with an investment in, or divestment of an interest in, a portfolio company, the Group may be exposed to certain claims and liabilities relating to the subject company or its ownership interest therein. In the event of such claims, the financial condition and results of operations of the Group may be adversely affected.

The Group may be involved in legal and other proceedings from time to time

The Group may be involved in disputes with various parties in respect of its operations or its investments, such as its customers, suppliers, service providers or joint venture partners. The Group may also have disagreements with regulatory bodies in the course of its operations or investments, which may subject it to administrative or legal proceedings and unfavourable orders, directives or decrees that may result in adverse consequences to its operations or investments, or financial losses.

[2] *On 16 March 2023, PLDT Inc. announced that it had entered into a Sale and Purchase Agreement with Sky Vision Corporation, ABS-CBN Corporation, and Lopez, Inc., for the proposed acquisition by PLDT of the broadband business and related assets of Sky Cable, through the purchase of 100% of Sky Cable's total issued and outstanding capital stock, for a total purchase price of PhP 6.75 billion. The closing of the proposed transaction is subject to compliance with certain conditions precedent which include, among others, the termination or cessation of operations by Sky Cable of its pay TV and cable businesses and obtaining all applicable government approvals and clearances.*

There can be no assurance that these disputes will be settled, or settled on favourable or reasonable terms to the Group. In the event such disputes are not settled on favourable or reasonable terms to Group, or at all, the Group's business, financial condition, prospects and results of operations may be adversely affected.

Compliance with, and changes in, laws, regulations and/or policies may adversely affect the Group's results of operations and its financial condition

The Group's businesses are subject to a broad range of laws, regulations and policies in areas such as business, safety, health and environment. These laws, regulations and policies may impact or limit competition, development of new technologies, changes in cost structures or flexibility to respond to market conditions. The laws, regulations or government policies relating to the industries that the Group has investments or operates in may become more stringent and the scope and extent of any new laws, regulations or policies, including their effect on the Group's business operations, cannot be predicted with any certainty. Any changes in the regulatory environment may impose additional taxes and other levies. Further, a failure to comply with any existing or future laws or regulations may result in a levy or the imposition of fines, revocation of licences or permits, inability to obtain licences or permits, commencement of judicial proceedings and/or third party claims. Any of the aforementioned events may adversely affect the business, operations, results of operations and financial condition of the Group.

The Group is subject to environmental and health and safety laws and regulations and may be subject to more stringent environmental and health and safety laws and regulations in the future

The Group is subject to various environmental and health and safety laws and regulations including those relating to air pollution control, water pollution control, waste disposal, carbon emission, noise pollution control and the storage of dangerous goods in the jurisdictions which the Group operates in. Certain of these laws and regulations may impose liability for the cost of the investigation and remediation of contaminated sites, without regard to fault or the care taken in the disposal activity. Compliance with these laws and regulations could impose substantial ongoing compliance costs and operating restrictions on the Group.

The Group is subject to regulations and schemes that regulate the amount of emissions, including but not limited to the following:

- the compliance requirements under the National Environment Agency (NEA) in Singapore relating to standby generation air contamination/emissions, noise emissions, other chemical emissions; and
- the requirements under the Environment Agency of the UK (the "**EA**"), including the Industrial Emissions Directive, as the Group utilises standby generation on its sites in the UK. This legislation requires standby generation over a certain thermal power input threshold to be permitted and potential implementation of best available technology. The EA issues these permits and can establish limits to operation and modifications to improve local air quality, specifically nitrogen oxide levels and other pollutants from diesel engines. The Group is also subject to the Medium Combustion Plant Directive in the UK, which sets out rules to control emissions of sulphur dioxide, nitrogen oxides and dust into the air. The scheme, which requires permits to be obtained, is also regulated by the EA.

There is a risk that the relevant authorities may make the requirements more stringent. Non-compliance with, or liabilities under, existing or future environmental or health and safety laws and regulations, including failure to hold requisite permits, or the adoption of more stringent requirements in the future, could result in fines, penalties, third party claims and other costs that could have a material adverse effect on the Group.

The Group is subject to risks related to climate change

The Group is exposed to risks associated with climate change comprising both transition risks and physical risks. The transition from a linear economy to a circular economy entails a range of transition risks to the Group, with a focus on ESG concerns. A primary transition risk is the actual and potential development in climate-related policy and regulation. Future policy actions, both at a national and regional level, may seek to either constrain actions which contribute to the adverse effects of climate change or promote adaptation. Examples include the implementation of a carbon tax or introduction or tightening of environmental standards, such as those relating to emissions or energy efficiency. In addition, the Group may need to comply with regulatory developments that may include new disclosure or reporting requirements to address climate-related issues. Failure to comply with these regulations and / or requirements could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is also subject to physical risks related to climate change such as extreme weather patterns affecting supply chains, rising temperatures, or more frequent occurrences of extreme temperatures, droughts or other extreme meteorological phenomena, such as floods, earthquakes and hurricanes. Such physical effects of climate change can negatively impact the Group's operations, cause delays to its construction projects, interrupt the provision of the services of the Group to its customers as well as increase the costs of the Group's operations.

Failure to achieve certain environmental sustainability goals and strategies may adversely affect the Group's future growth and profitability

Several of the Group's portfolio companies have been driving environmental sustainability efforts to align with the objectives and frameworks set out in the United Nations Sustainable Development Goals and Singapore Green Plan 2030. Despite government incentives to encourage the adoption of environmental, social and governance practices, there is no assurance that the Group's portfolio companies will be able to achieve or implement their environmental sustainability goals and strategies. The inability to achieve such goals and strategies could adversely affect the Group's future growth and profitability.

The outbreak of an infectious disease or any other serious public health concerns or the occurrence of a natural or man-made disaster could adversely impact the Group's business, financial condition, prospects and results of operations

Natural disasters, severe weather conditions and the outbreak of epidemics may adversely affect the economy and infrastructure in the countries in which the Group operates. Some cities where the Group operates are under the threat of flood, earthquake, fire, pandemics or epidemics such as COVID-19, Severe Acute Respiratory Syndrome (SARS), Zika, H5N1 avian flu and/or H1N1 Influenza (commonly known as swine flu). Past occurrences of such phenomena have caused varying degrees of harm to businesses and the national and local economies and future occurrences could have a negative impact on the global economy and business activity.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic resulted in, among other things, travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets.

As part of its efforts to contain the spread of COVID-19, from time to time governments around the world, including those of the United States, the PRC, India, the UK and Southeast Asia have taken and may continue to take a number of actions, including quarantining and otherwise treating individuals who are infected with COVID-19, asking residents to remain at home and to avoid public gatherings, among other actions. The COVID-19 pandemic resulted in temporary closures of many corporate offices, retail stores, and manufacturing facilities and factories. Notwithstanding that several countries have stepped down their safe management measures and are transitioning into COVID-19 resilient nations, the actual extent of the impact on the Group's business, results of operations, financial condition and prospects is uncertain.

The COVID-19 pandemic or a future outbreak of infectious disease in any country where the Group has facilities, operates telecommunication networks or conducts business or where the Group's customers or suppliers are based, as well as quarantines or other regulatory measures or restrictions taken in response to an outbreak have and could in the future severely disrupt the supply chains and distribution networks for the Group's products and services, delay the construction of its data centres and completion of its other projects, adversely affect the Group's ability to adequately staff its operations and cause delays associated with the collection of receivables from its customers as a result of restrictions or economic slowdown caused by COVID-19 which may adversely affect the Group's cashflows, business, financial condition, prospects and results of operations.

As countries around the world are moving towards treating COVID-19 as endemic, the Group is uncertain as to the final impact of the COVID-19 pandemic on the Group's business, financial condition, prospects and results of operations. Whilst the Issuer and the Group's portfolio companies have implemented business continuity plans to allow business operations to continue and have taken steps to mitigate the impact of the COVID-19 pandemic in their respective businesses, there is no assurance that the COVID-19 pandemic will not worsen or that other variants which may be more transmissible or may cause more severe effects will not emerge in the future, which could in turn cause a deterioration of the Group's business, financial condition, prospects and results of operations.

The Group is exposed to terrorist attacks, other acts of violence or war and adverse political developments

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its business operations and results. Any additional significant military or other response or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the Group operates and may thereby adversely affect its business, financial condition, prospects and results of operations.

The Issuer is wholly-owned by a single shareholder

As at the Latest Practicable Date, Temasek holds a 100% shareholding interest in the Issuer's shares. Temasek is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959 of Singapore. No assurance can be given that Temasek's objectives will not conflict with the Issuer's business goals and objectives or that any such conflict will not have an adverse effect on the financial condition and results of operations of the Group. Temasek also holds interests in certain companies which hold licences to operate telecommunications services in Singapore, such as Singapore Telecommunications, which competes with StarHub.

There can be no assurance that Temasek will remain the sole shareholder of the Issuer or that there will not be a change of ownership of the Issuer or the entry of another major shareholder with the ability to exert significant influence on the direction or operations of the Group, or that the Group's business, financial condition and results of operations would not be adversely affected by such a change in ownership or influence.

Risks affecting the Group's Communications and Media Services business

Changes to the regulatory regime may have a material effect on the Group's business

The Group's Communications and Media Services operations are subject to extensive government regulations which may impact or limit flexibility to respond to market conditions, competition, new technologies, operational issues or changes in cost structures. Governments may alter their policies relating to the info-communication, information technology and related industries and the regulatory environment (including taxation) in which the Group operates. Such changes could have a material adverse effect on the Group's business, financial performance and operations.

Particularly, the business and results of operations of the StarHub group, U Mobile group, Lao Telecommunications group and Sky Cable could be materially and adversely affected by changes in law, regulation or government and regulatory policies. Decisions by regulators concerning economic or business interests or goals which are inconsistent with the interests or actions of the portfolio company groups could materially and adversely affect their, and accordingly the Group's, financial condition, results of operations and investments.

The Group's Communications and Media Services business operations may be affected by rapid technological changes

Rapid and significant technological changes are typical in the info-communication industry and these changes may materially affect the Group's Communications and Media Services business' capital expenditure and operating costs as well as the demand for their products and services. With the rapid advancement in technology, the Group may also be stranded with investments that are technologically obsolete before the end of the expected useful life of these investments and the value of these investments may be impaired. These changes may require the Group to replace and upgrade its network infrastructure and as a result, the Group may be required to incur significant additional capital expenditure in order to maintain the latest technological standards and remain competitive against these newer products and services.

The Group faces a continuing risk of market entry by new operators and service providers (including non-telecommunications players and non-traditional telecommunications services players) who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. New technologies may also enable players from adjacent industries to enter the info-communication and networks markets, thus increasing competition and depressing prices. This may result in a loss of market share and could have an adverse effect on the Group's financial condition and results of operations.

The Group may not be able to access spectrum to support its businesses

The Group may need to access additional spectrum to support both generic growth and the development of new services. Access to spectrum is of critical importance to the Group in order to support its businesses which provide mobile, internet and broadcasting services. The use of spectrum in jurisdictions in which the Group operates, such as Singapore, Malaysia and Laos, is regulated by governmental/regulatory authorities and/or requires licences. There is no guarantee that the Group will be able to acquire licences for additional spectrum or access such additional spectrum on favourable terms, or at all. The Group will need to renew its existing spectrum licences when they expire. There can be no assurance that the Group will be able to renew these licences on terms that are favourable or equivalent to those which apply today, or at all. Failure to acquire access to spectrum could have a material adverse effect on the business, financial performance and growth plans of the Group.

The Group faces project management risks in both its internal projects as well as external enterprise projects

The Group incurs substantial capital expenditure in constructing and maintaining its network and systems infrastructure. The Group's network and systems infrastructure projects are subject to risks associated with the construction, supply, installation and operation of equipment and systems. The projects undertaken by the Group as contractors to maintain and support infrastructure are subject to the risk of an increase in project costs, the risk of disputes and the risk of unexpected implementation delays, any or all of which could result in an inability to meet service levels. The Group's network and systems infrastructure projects are also subject to risks associated with the sale of capacity on the completed project infrastructure, including risks of default, disputes, litigation and arbitration involving contractors, suppliers, customers and other third parties involved in the construction or operation of network infrastructure projects.

The Group's business requires the continued development of effective business support systems and uniform standards, controls and policies to implement customer orders and to provide and bill for services

The Group's business depends on its ability to continue to develop and manage effective business support systems. In certain cases, the development of these business support systems is required to realise anticipated benefits from both past and future acquisitions. The development and management of business support systems is a complicated undertaking requiring significant resources and expertise, the development of uniform standards, controls, procedures and policies and the efficient consolidation and elimination of business support systems that are no longer useful in the business. This undertaking also requires support from third-party vendors. Following the development of the business support systems, the data migration regarding network and circuit inventory must be completed for the full benefit of the systems to be realised. As the Group's business provides for continued rapid growth in the number of customers that it serves, the volume of services offered as well as the integration of any acquired companies' business support systems, there is a need to continually develop the business support systems on a schedule sufficient to meet proposed milestone dates. The failure to continue to develop effective unified business support systems or complete the data migration regarding network and circuit inventory into these systems could materially and adversely affect the Group's ability to implement its business plans and realise anticipated benefits from its acquisitions.

Failure to develop and introduce new services could affect the Group's ability to compete in the industry

The Group continuously develops, tests and introduces new services that are delivered over its communications network. These new services are intended to allow the Group to address new segments of the communications marketplace, address the changing communications needs of its existing customers and compete for additional customers. In certain instances, the introduction of new services requires the successful development of new technology. To the extent that upgrades of existing technology are required for the introduction of new services, the success of these upgrades may be dependent on reaching mutually acceptable terms with vendors and on vendors meeting their obligations in a timely manner. In addition, new service offerings may not be widely accepted by the Group's customers. If the Group's new service offerings are not widely accepted by its customers, the Group may terminate those service offerings and the Group may be required to impair any assets or technology used to develop or offer those services. If the Group is not able to successfully complete the development and introduction of new services in a timely manner, this may have an adverse impact on the Group's business, financial condition and results of operations.

The Group's future growth depends upon the continued development and expansion of the Internet as a communications medium and marketplace for the distribution and consumption of data and video by businesses, consumers and governments

Achieving the anticipated benefits of the Group's business operations will depend in part upon the continued development and expansion of the Internet as a communications medium and marketplace for the distribution and consumption of data and video by businesses, consumers and governments. The use of the Internet for these purposes may not grow and expand at the rate that the Group anticipates or may be restricted by such things as the owners of access networks that restricts the Group from delivering its customers' traffic, future regulation and the lack of anticipated technology innovation and adoption.

Risks affecting the Group's Data Centres business

Technological advancements and evolving industry standards may impact the Data Centres business

Adverse developments in the corporate data centre, internet and data communications and broader technology industries could lead to reduced corporate IT spending or reduced demand for data centre space. Changing technologies and evolving industry standards may reduce demand for data centres or make the data centre facilities obsolete or in need of significant upgrades to remain viable. Although the Group attempts to account for technological developments in its planning for new developments and its existing data centres, the introduction of new technologies and their impact on data centres cannot be predicted with certainty.

Technological developments may have a disruptive impact on the Group's data centres in a variety of ways, including, but not limited to:

- next generation computer servers which may be less sensitive to external influences such as temperature, humidity, vibration and power quality, or which have integrated batteries reducing the need for precision-controlled server environment;
- breakthrough in storage miniaturisation (either new compression algorithm or new hardware/ physics) which could drastically reduce the space and power required for data storage;
- technological improvements in cloud level resiliency reducing demand for outsourced, dedicated data centre space, given the availability of similarly resilient and secure shared space on the cloud, which reduces the importance on reliability of any one data centre;
- reduced demand for centrally located data centres given improved ability or lower cost to achieve synchronous replication over great distances, arising from, for example, improvement in technologies leading to improved performance in terms of distance limitations. In addition, as networks in outer regions improve connectivity to city centres through fibre rollout, the practical distance for synchronous replication will also increase;
- edge computing and applications, which are further enabled by new technologies such as 5G mobile, may move data centre demand from larger centralised facilities to larger quantity of smaller edge data centres, or even micro-data centres;

- inability of the power supply to support new, updated or upgraded technology, for example higher computing power of new servers; and
- obsolescence of the data centres' power and cooling systems, connectivity infrastructure, or other applications and management systems.

When there are changes in customers' requirements due to evolving technologies or industry standards, the Group may not be able to upgrade or replace the infrastructure of its data centres on a cost effective basis, or at all, due to, among other things, increased expenses to the Group that cannot be passed on to customers, or insufficient revenue to fund the necessary capital expenditure.

Furthermore, countries and large institutions all over the world are recognising the importance of environmental sustainability and are committing to play their part in aligning regulations, and/or operations, with society's needs. The large hyperscale customers have made their commitments to utilising renewable energies as well, which requires the data centre facilities and operators they engage with to be compliant with their standards. The Group risks losing customers to its competitors if it is unable to adapt to these rapidly evolving expectations.

In addition, the development of new technologies, the adoption of new industry standards or other factors could render many of the Data Centres business' tenants' current products and services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their co-location agreements, become insolvent or file for bankruptcy. In the event the Data Centres business' tenants default under their co-location agreements with the Group, this could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Customers of the Data Centres business may choose to develop new data centres or expand or consolidate into data centres of third parties, or not to renew their contracts with the Group

Customers of the Data Centres business may choose to develop new data centres or expand or consolidate into data centres of third parties, or not to renew their contracts with the Group. In the event that any of the key customers were to do so, it could result in a loss of business to the Group or put pressure on its pricing. If the Group is unable to replace that customer at a competitive rate or at all, it may have a material adverse effect on the Group's results of operations and financial position.

The Data Centres business may not be able to identify and complete acquisitions or investments on favourable terms or at all

The Data Centres business continually evaluates the market for opportunities. Its ability to complete acquisitions or invest on favourable terms may be exposed to the following significant risks:

- competition from other operators, strategic or financial investors with significant capital resulting in an inability to acquire or invest on favourable terms or at all; and
- an inability to finance acquisitions or investments on favourable terms or at all.

Additionally, it may acquire properties or businesses subject to contingent liabilities and the total amount of costs and expenses that it may incur with respect to liabilities associated with acquired properties or businesses may exceed the Group's expectations. If the Group cannot complete acquisitions or investments on favourable terms or at all, its financial condition, results of operations and cash flow could be materially adversely affected.

The Data Centres business faces competition, which may decrease or prevent increases of the occupancy and co-location rates at the data centres

The Data Centres business competes with numerous developers, owners and operators of real estate and data centres, many of which own similar properties in the same markets that the data centre business operates in. In addition, the Data Centres business may in the future face competition from new entrants into the data centre market, including new entrants who may acquire the Data Centres business' current competitors. Some of the Data Centres business' competitors and potential competitors may have significant advantages over it, including greater name recognition, longer operating histories, pre-existing relationships with current or potential customers, significantly greater financial, marketing and other resources and more ready access to capital which allow them to respond more quickly to new or changing opportunities. If the Data Centres business' competitors offer space that its customers or potential customers perceive to be superior to it based on numerous factors, including available power, security considerations, location, or connectivity, or if they offer co-location rates below current market rates, or below the co-location rates the Data Centres business is offering, it may lose customers or potential customers or be required to incur costs to improve its properties or reduce its co-location rates.

In addition, if the supply of data centre space increases as a result of further development by the Data Centres business' competitors or otherwise, co-location rates may be reduced or the Group may face delays in leasing or be unable to lease its vacant space, including space that it develops or redevelops. Further, if customers or potential customers desire services that the Data Centres business does not offer, the Group may not be able to lease its space to those customers. Moreover, if the Group is unable to develop new data centres quickly enough, customers may move to the Group's competitors. Once existing customers move to a competitor in one market, this increases the possibility of such customers selecting the competitor to replace the Group in other markets. The Group's financial condition and results of operations could be materially adversely affected as a result of any or all of these factors.

The Data Centres business is dependent on the technical and operational resilience of its infrastructure

The Data Centres business offers customers co-location services with certain service levels which include redundancy in the power and cooling, and maintaining environmental conditions within the data centres. The Data Centres business may fail to meet the service levels as a result of numerous factors, including power loss or surges from the main grid, cooling loss, equipment failure, theft, sabotage and vandalism, failure to provide adequate service or maintenance to its equipment, network connectivity and fibre cuts, water damage, public health emergencies, human error or accidents, physical, electronic security and cybersecurity breaches, natural disasters, extreme temperatures and terrorism. If these service level commitments are not met, this may attract financial penalties or result in early termination of customer contracts. Since the ability to attract and retain customers depends on its ability to provide highly reliable service, even minor interruptions in the Data Centre business's services could harm its reputation and/or cause it to incur financial penalties, thereby adversely affecting its results of operations and/or financial condition. Although the Group has not had to pay any material financial penalties for failing to meet its service level commitments in the past, there is no assurance that the Group will be able to meet all its service level commitments in the future and that no material financial penalties may be imposed.

Interruptions in service may also have consequences for certain of the Group's customers, such as the banking and financial institutions that are under the oversight of industry regulators in each relevant jurisdiction. In response to such interruptions in service, industry regulators have taken, and may in the future take, various regulatory actions to the Group's customers over which they have oversight. Such regulatory actions with respect to the Group's customers could negatively impact the Group's relationships with such customers, lead to audits of the Group's services, inspections of its facilities, place restrictions or prohibitions upon the ability of such institutions to use the Group's services, and thereby negatively affect the Group's business operations and/or results of operations.

While the Group manages such risks by designing the data centres to high specification and putting in place operational and preventive maintenance programmes, this risk is not mitigated fully. Such failures to meet the service levels may have an impact on the Group's track record in operating data centres, the Group's ability to attract new customers and retain existing customers and adversely affect the Group's results of operations and financial condition.

The Group's leases could be terminated early, and the Group may not be able to renew its existing leases and agreements on commercially acceptable terms or rent or payment under the leases could increase substantially in the future, which could materially and adversely affect the Group's operations

The Group does not own all of its properties and leases some of its properties and/or data centre facilities from third parties. Such leases generally have initial terms of 10 to 15 years, and may or may not have an option to renew for further lease period(s) at agreed rent rates or rent formula. Upon the expiry of these leases, the Group may not be able to renew these leases on commercially acceptable terms, if at all. The leases could be terminated earlier by the lessor if the Group is in material breach of the lease agreements. If the leases for the Group's data centres are terminated early, or not able to be renewed at the end of the lease period, the Group may have to relocate its data centre equipment and the servers and equipment of its customers to a new location and incur significant costs related to such relocation. Any relocation could also affect the Group's ability to provide services and harm its reputation. In addition, certain of the Group's leases contain renewal clauses where the lease renewal rates are calculated based on the market value of the property, such that an increase in the market values of such properties may lead to the Group facing an increase in rental rates. If any of the above were to occur, the Group's business and/or results of operations could be materially and adversely affected.

The Group may face risks relating to increasing ongoing operating costs of its data centres

Factors which could increase the Group's operating and other expenses include, without limitation:

- increases in the rate of inflation;
- increases in staff, telecommunications, energy and other commodities, and utility costs;
- increases in property taxes and other statutory charges;
- increases in insurance premiums;
- increases in rent;
- increases in the costs of maintaining data centre facilities;
- costs incurred in decarbonisation efforts and environmental, social and governance ("**ESG**") initiatives; and
- failure to perform by sub-contractors leading to increases in operating costs.

Such increases could have a material adverse effect on the Group's business, financial condition and/or results of operations.

The Group depends on third parties to provide connectivity to the customers in its data centres and any delays or disruptions to this may materially adversely affect its operating results and/or cash flow

It is the responsibility of third parties to provide the Group's non-carrier data centre customers with carrier services. Although the Group's data centre customers are responsible for procuring their own connectivity, the Group depends upon the presence, capacity and diversity of multiple international and national telecommunications carriers which provide connectivity at its data centres in order to attract and retain customers.

Any telecommunication carrier may elect not to offer or continue to offer its services within the Group's data centres. Further, as a result of strategic decisions or consolidations, some telecommunication carriers may be forced to downsize or terminate connectivity within the Group's data centres, which could have an adverse effect on the business of the Group's customers and, in turn, the Group's own operating results.

For new developments, the construction required to connect multiple telecommunication carrier facilities to the Group's data centres is complex and involves factors outside of the Group's control, including planning and regulatory requirements and the availability of construction resources. If the establishment of highly diverse connectivity to the Group's data centres does not occur, is materially delayed, is discontinued, or is subject to failure, the Group's operating results and/or cash flow may be materially and adversely affected.

Decline in demand for high quality data centres would have an adverse impact on the Group

The Group owns high quality data centre facilities. Any economic downturn, technological advancements or decline in the technology industry could dampen the demand for high performance data centre services. A decline in the demand for data centre space would have an adverse effect on the data centre business, which in turn could adversely affect the Group's results of operations, financial condition and prospects of the Group.

Some or all of the Group's data centre development projects may not be completed or may be delayed

The success and financial performance of the Group will depend on its ability to identify, develop, market and complete its data centre development projects, such as the data centres located in

Singapore, India, the UK, Thailand, the PRC, Indonesia, Japan, South Korea and the Philippines, in a timely and cost-effective manner. The Group's data centre development projects are subject to the risks of changes in regulations, delays in obtaining required approvals, availability of raw materials including power, increases in costs and budget overruns, natural disasters, pandemics, failure of contractors, subcontractors or equipment suppliers to perform on a timely basis or at all, or other misconduct on the part of contractors, subcontractors or equipment suppliers, lack of availability and/or increased costs for specialised data centre components as well as the risk of reduced market demand during the development of a data centre project.

As a result of these and other factors described herein, no assurance can be given as to whether or when these projects will be successfully completed in a timely and cost-effective manner, or if at all. Further, new data centre development projects may pose unforeseen challenges and demands on the Group's financial resources.

Although the Group budgets for expected development costs and expenses at the time the project is initiated, additional expenses in the event of unforeseen delays, cost overruns, unanticipated expenses, regulatory changes and unexpected technological changes, and any late or non-completion of the data centre development projects, may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

The value of the Issuer's investment in GDS Holdings (held indirectly through STT GDC) may be adversely affected as a result of GDS Holdings' auditor's inability to undergo inspections required under applicable U.S. rules

The Group conducts its operations in the PRC through GDS Holdings, which is listed on NASDAQ in the United States and secondary listed on the Hong Kong Exchange and Clearing Limited. GDS Holdings' auditor, as an auditor of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board (the "**PCAOB**"), is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

As part of an increased regulatory focus in the United States on access to audit information, the U.S. enacted the Holding Foreign Companies Accountable Act (the "**HFCA Act**") in December 2020, which was subsequently amended pursuant to the Consolidated Appropriations Act, 2023 in December 2022. Under the HFCA Act and the rules issued by the U.S. Securities and Exchange Commission ("**SEC**") and the PCAOB thereunder, if an entity has retained a registered public accounting firm to issue an audit report where the registered public accounting firm has a branch or office that is located in a foreign jurisdiction and the PCAOB has determined that it is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction, the SEC will identify the entity as a "covered issuer", or SEC-identified issuer, shortly after the entity files with the SEC a report required under the Securities Exchange Act of 1934 (the "**Exchange Act**") (such as GDS Holdings' annual report on Form 20-F) that includes an audit report issued by such accounting firm; and if GDS Holdings were to be identified as an SEC-identified issuer for two consecutive years, the SEC would prohibit GDS Holdings' securities (including GDS Holdings' shares or American Depository Shares ("**ADSs**")) from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

In December 2021, the PCAOB made its determinations (the "**2021 determinations**"), pursuant to the HFCA Act that it was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China or Hong Kong including GDS Holdings' auditor, KPMG Huazhen LLP. After GDS Holdings filed its annual report on Form 20-F for the fiscal year ended 31 December 2021 that included an audit report issued by KPMG Huazhen LLP on 28 April 2022, the SEC conclusively identified GDS Holdings as an SEC-identified issuer on 26 May 2022. As such, GDS Holdings is required to satisfy additional disclosure requirements for SEC-identified issuers that are also foreign issuers.

Following the Statement of Protocol signed between the PCAOB and the China Securities Regulatory Commission and the Ministry of Finance of the PRC (the "**MOF**") in August 2022 and the on-site inspections and investigations conducted by the PCAOB staff in Hong Kong from September to November 2022, the PCAOB Board voted in December 2022 to vacate the previous 2021 determinations, and as a result, GDS Holdings' auditor, KPMG Huazhen LLP, is no longer a registered public accounting firm that the PCAOB is unable to inspect or investigate completely as of the date of GDS Holdings' annual report on Form 20-F (i.e. 4 April 2023) or at the time of issuance of the audit report included therein. As such, GDS Holdings does not expect to be identified as an SEC-identified issuer again in 2023. However, the PCAOB may change its determinations under the HFCA Act at any point in the future. In particular, if the PCAOB finds its ability to completely inspect and investigate registered public accounting firms headquartered in mainland China or Hong Kong is obstructed by the PRC authorities in any way in the future, the PCAOB may act immediately to consider the need to issue new determinations consistent with the HFCA Act. There is no assurance that the PCAOB will always have complete access to inspect and investigate GDS Holdings' auditor, or that GDS Holdings will not be identified as an SEC-identified issuer again in the future.

If GDS Holdings is identified as an SEC-identified issuer again in the future, there is no assurance that GDS Holdings will be able to change its auditor or take other remedial measures in a timely manner, and if GDS Holdings were to be identified as an SEC-identified issuer for two consecutive years, GDS Holdings would be delisted from the NASDAQ and GDS Holdings' securities (including GDS Holdings' shares and ADSs) will not be permitted for trading "over-the-counter" either. If GDS Holdings' securities are prohibited from trading in the United States, or threatened with such a prohibition, the risk and uncertainty associated with delisting would have a negative impact on the price of GDS Holdings' ADSs and ordinary shares. Further, such a prohibition or any threat thereof would significantly affect GDS Holdings' ability to raise capital on terms acceptable to GDS Holdings, or at all. Moreover, the implementation of the HFCA Act and other efforts to increase the U.S. regulatory access to audit information could cause investor uncertainty as to PRC-based issuers' ability to maintain their listings on the U.S. national securities exchanges and the market price of the securities of PRC-based issuers, including GDS Holdings, could be adversely affected. Such events as described above may have a material adverse impact on the Group's business, financial condition, and prospects.

If the PRC government deems that the contractual arrangements in relation to the consolidated variable interest entities ("VIEs") do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, GDS Holdings could be subject to severe penalties or be forced to relinquish its interests in the operations of the consolidated VIEs and their subsidiaries.

The PRC government regulates telecommunications-related businesses through strict business licensing requirements and other government regulations. These laws and regulations also include limitations on foreign ownership of PRC companies that engage in telecommunications-related businesses. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any PRC company engaging in value-added telecommunications businesses, with certain exceptions relating to certain categories which do not apply to GDS Holdings.

Because GDS Holdings is a Cayman Islands company, it is classified as a foreign enterprise under PRC laws and regulations, and its wholly-owned PRC subsidiaries or PRC joint ventures are foreign-invested enterprises, or their subsidiaries. To comply with PRC laws and regulations, GDS Holdings conducts its business in the PRC through contractual arrangements with the consolidated VIEs and their shareholders. These contractual arrangements provide GDS Holdings with effective control over the consolidated VIEs, and enable GDS Holdings to receive substantially all of the economic benefits of the consolidated VIEs and their subsidiaries in consideration for the services provided by GDS Holdings' wholly-owned PRC subsidiaries, and have an exclusive option to purchase all of the equity interest in the consolidated VIEs when permissible under PRC laws.

While GDS Holdings believes that its corporate structure and contractual arrangements comply with the current applicable PRC laws and regulations, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors jointly issued by, *inter alios*, Ministry of Commerce of the PRC ("**MOFCOM**") on 8 August 2006, effective on 8 September 2006 and further amended on 22 June 2009 by MOFCOM, any applicable telecommunications circular and the Telecommunications Regulations of the PRC, and the relevant regulatory measures concerning the telecommunications industry. There can be no assurance that the PRC government, such as the Ministry of Industry and Information Technology ("**MIIT**"), or other authorities that regulate providers of data centre service and other participants in the telecommunications industry would agree that GDS Holdings' corporate structure or any of the above contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have broad discretion in interpreting these laws and regulations. In addition, such laws and regulations could change or be interpreted differently in the future.

If GDS Holdings' corporate and contractual structure constituting part of the VIE structure is deemed by the MIIT, MOFCOM or other regulators having competent authority to be illegal, either in whole or in part, GDS Holdings could be forced to relinquish control of, and its interests in the operations of, the consolidated VIEs and their subsidiaries, and/or be forced to modify such structure to comply with regulatory requirements as interpreted by such authorities. There can be no assurance that GDS Holdings can achieve this without material disruption to its business and if its corporate and contractual structure is found to be in violation of any existing or future PRC laws or regulations, it could be subject to severe penalties. Furthermore, the enforceability of the agreements under the contractual arrangements has not been tested in a court of law, and new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to GDS Holdings' corporate structure and contractual arrangements. In addition, relevant PRC regulatory authorities could disallow the VIE structure. If any of the foregoing were to occur, and as a result GDS Holdings is unable to direct the activities of the consolidated VIEs, receive their economic benefits and/or claim its contractual control rights over the assets of the VIEs and their subsidiaries that conduct substantially all of their operations in the PRC, this would likely materially and adversely affect GDS Holdings' financial condition and results of operations, and cause the value of GDS Holdings' securities, including its ADSs and ordinary shares, to significantly decline or become worthless. This could in turn adversely affect the Group's prospects, business, operations, results of operations and/or financial condition.

The Data Centre business is dependent on the adequate supply of electrical power and could be harmed by prolonged electrical power outages or increases in the cost of power which it may not be able to fully recover from its customers

The operation of the Group's Data Centre business requires a substantial amount of electrical power purchased from the electricity grid. The Group cannot be certain that there will be adequate power available on the electricity grid in all of the markets in which it operates or proposes to develop additional data centres. The Group relies on third parties to provide power to its data centres, and it cannot ensure that these third parties will deliver such power in adequate quantities or on a consistent basis. If the amount of power available to it is inadequate to support its requirements, it may be unable to satisfy its obligations to its customers. The Group attempts to limit exposure to system downtime caused by electricity grid outages by using back-up generators and uninterruptible power supply ("**UPS**") systems, but it cannot guarantee that the generators and UPS systems will always provide sufficient back-up electrical power or restore electrical power in time to avoid loss of or damage to the Group's customers' equipment and its own infrastructure. Any loss of or reduction in power at any of the Group's data centres could harm its customers, reducing customers' confidence in the Group's services, or affect the Group's ability to retain existing customers or attract new customers. It could also result in the Group incurring financial liabilities to its customers, who may also seek damages from the Group or other compensatory actions.

If the Group is unable to fully utilise the physical space available within its data centres or successfully develop additional data centres or expand existing data centres due to restrictions on available electrical power from the electricity grid, it will be unable to secure new customers or increase its services to existing customers, which may have a material adverse effect on its business, financial condition and/or results of operations.

In addition, power costs account for a significant portion of the Group's overall costs of operations. The Group may not be able to fully recover its power costs, including increased power costs, from its customers. In the event as aforesaid, the financial performance and/or condition of the Group will be adversely affected.

The Data Centre business relies on third party suppliers for key elements of its infrastructure and software

The Group's Data Centre business contracts with third parties for the supply of hardware, such as UPS systems, generators and other equipment, that it uses in the provision of its services to its customers. The loss of a significant supplier could delay expansion of its data centre facilities, impact the Group's ability to sell its services and/or increase its costs of operations. If the Group is unable to purchase the hardware or obtain a license for the software that its services depend on, its business could be significantly and adversely affected. In addition, if the Group's suppliers are unable to provide products that meet evolving industry standards or that are unable to effectively interoperate with other products or services that the Group uses, the Group may be unable to meet all or a portion of its customer service commitments, which could materially and adversely affect the Group's results of operations.

The Data Centre business engages third party contractors to build its data centres and carry out various services relating to its data centre facilities

The Group's Data Centre business engages third party contractors to build new data centres and to carry out various services relating to its data centre facilities. The Group's success depends, to a significant degree, on being able to employ and retain contractors who have the expertise required to successfully develop high quality data centres. The Group endeavours to engage third party companies with a strong reputation and proven track record, high-performance reliability and adequate financial resources. However, contractors meeting the aforesaid requirements are in limited supply so the demand and competition for such contractors is intense. The Group cannot be certain that it will be able to hire and retain a sufficient number of qualified contractors at reasonable compensation levels to support its growth and maintain the high level of quality service its customers expect or that any such third party contractor will be able to continue to provide satisfactory services at the level of quality required by the Group. Any failure to hire such qualified contractors or any failure by such third party contractors to perform its services to the level of quality required by the Group could have a material adverse effect on the Group's business, financial performance and/or results of operations.

Risks Relating to the Infrastructure Technology Business

Expected benefits from investing in infrastructure technology may not be realised

The Group faces the risk of unforeseen complications in the deployment of infrastructure technology. Infrastructure technologies may not be developed or implemented according to anticipated schedules or may not achieve commercial acceptance or be cost-effective. The failure of a technology to achieve commercial acceptance could result in additional capital expenditure or a reduction in profitability due to the recognition of the impairment of assets. These risks may have a material adverse impact on the Group's business, financial condition and results of operations.

The Infrastructure Technology business may be impacted by the rapid rate of technology obsolescence

Rapid and significant technological changes and advances are typical in the communications, media and technology and new emerging technology areas where innovation is thriving. In order to stay competitive, profitable and to react to the changing market demand, the Group may need to adopt new technologies, develop new software, innovate new products and services, conduct extensive research and/or develop enhanced versions of existing software and technology to incorporate additional features, improve functionality and be able to function alongside or together with new technologies. As new technologies are developed, the products and services offered by the Group may be rendered obsolete or less competitive. With such rapid advancement, if the technologies turn inferior or obsolete before the Group's investments have generated profits, there may be a significantly reduced demand for the Group's products and services and there may be a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

The Infrastructure Technology business has low barriers to entry

The infrastructure technology business is gaining traction on a global scale as such business has relatively low barriers to entry as compared to the traditional info-communication industry which requires, amongst others, ownership of assets, development of extensive infrastructure and large capital investments. In the infrastructure technology business which focuses on business intelligence and data analytics, a wide spectrum of businesses are able to deploy capabilities that used to be limited to companies with extensive capital. As it is not entirely essential to own assets to start or operate such businesses, and with the emergence of low-cost utility computing and simplified development models, the infrastructure technology business is more cost-effective and easily accessible to a wide range of companies than the traditional info-communication industry. As the infrastructure technology business has low barriers to entry, the Group expects to face increased competition from new entrants into this market. In the event the Group does not respond effectively to increased competition from new entrants, its business, prospects, results of operations and financial condition may be adversely affected.

The Infrastructure Technology business is competitive

With the combination of high rates of growth and low barriers to entry, the Group is operating in a highly competitive infrastructure technology market and faces competition on a local, regional, national and international level. Both established and emerging companies are keen to enter into the various focus areas such as Big Data analytics, cybersecurity and cloud managed services. As infrastructure technology is a relatively new and evolving business segment, competition is expected to increase based on customer demand for the various products and high growth expected in this business segment. Maintaining or increasing its market share will depend upon the Group's ability to anticipate and respond to various competitive factors affecting this business segment, including its ability to adopt and deliver distinctive technologies, deliver innovative and new business models coupled with deep industry knowledge, improve its processes and respond to pricing strategies of its competitors.

There can be no assurance that the Group will be able to continue to compete successfully in the infrastructure technology business segment. Any failure to compete effectively, including any delay in the Group's reaction to changes in market conditions, may affect its competitiveness, thereby reducing its market share and resulting in a decline in its revenues. If the Group fails to compete successfully against existing competitors and new entrants, its business, financial condition and results of operations may be adversely affected.

The Group's investments in the Infrastructure Technology business might be affected by an inability to scale

The Group targets investments in the infrastructure technology business that are entering or already in the phase of high growth and investments that have established a certain level of category leadership in the form of business and customer traction. These companies need to be able to achieve a certain level of market acceptance and scale in order to justify the amount of time and investment in the Group investing to develop and bring such products or platforms to market. Future growth in this industry depends on the ability to attract new customers and expand sales to existing customers both domestically and internationally. Failure to achieve the required market acceptance and scale would impact the results of the various infrastructure technology companies that the Group invests in and may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

RISKS RELATING TO THE SECURITIES GENERALLY

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for them, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

If the Group is unable to comply with the restrictions and covenants in its debt agreements, including, among others, the Trust Deed or the Securities, there could be a default under the terms of these agreements, the Trust Deed or the Securities, which could cause repayment of the Group's debt to be accelerated

The Group's debt agreements or instruments contain covenants that restrict the Group's business activities. The Group's ability to comply with such covenants depends on Group's future operating performance. If the Group is unable to comply with the restrictions and covenants in the Group's current or future debt and other agreements or instruments (some of which are secured), the Trust Deed or the Securities, there could be a default under the terms of these agreements or instruments. In the event of a default under these agreements or instruments, the holders of the debt could terminate their commitments to lend to the Group, accelerate repayment of the debt and declare all amounts borrowed due and payable, terminate the agreements or exercise their enforcement or foreclosure remedies, as the case may be. Furthermore, some of the Group's debt agreements or instruments, including the Securities, contain cross-acceleration or cross-default provisions. As a result, the Group's default under one debt agreement or instrument may cause the acceleration of repayment of debt or result in a default under the other debt agreements or instruments, including the Securities. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay in full all of its indebtedness, or that the Group would be able to find alternative financing. Even if the Group could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to the Group.

The Securities are not secured

The Securities of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer or (in the case of Subordinated Perpetual Securities) with Parity Obligations of the Issuer. If a potential investor purchases the Securities, it is relying upon the creditworthiness of the Issuer and no other person. Accordingly, on a winding-up or termination of the Issuer at any time while the Securities are still outstanding, holders of the Securities will not have recourse to any specific assets of the Issuer or its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities owed to the holders of the Securities and there can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities owed to the Securityholders.

Rights of claim

The Issuer is a holding company incorporated for the purpose of holding investments both in Singapore and abroad. The Issuer will rely on its investment income, including dividends and distributions from its subsidiaries, associated companies and portfolio companies and proceeds from divestments, to meet its obligations, including obligations under the Securities. The ability of the Issuer's subsidiaries, associated companies and portfolio companies to pay dividends and other distributions and, to the extent that the Issuer relies on dividends and distributions to meet its obligations, the ability of the Issuer to make payments, are subject to applicable laws and regulations on the payment of dividends and distributions contained in relevant financing or other agreements of such companies.

The Securities contain no covenants that prohibit the Issuer's subsidiaries, associated companies and portfolio companies from entering into agreements which may restrict their ability to pay dividends and distributions to the Issuer.

Payments on the Securities are structurally subordinated to all and any existing and future liabilities and obligations of each of the Issuer's subsidiaries, associated companies and portfolio companies. Claims of creditors of such companies will have priority as to the assets of such companies over the Issuer and its creditors, including holders of the Securities seeking to enforce the Securities.

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, there can be no assurance as to the liquidity or sustainability of such market. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt Securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for debt securities has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities referencing such "benchmarks"

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", in particular with respect to certain Floating Rate Notes where the reference rate may be SIBOR, Swap Offer Rate, SORA or any other benchmark. The Pricing Supplement for the Securities will specify which benchmark is applicable.

Reference rates and indices which are deemed to be "benchmarks", are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security referencing such a benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or 30 June 2023. Investors should note that, subject further to the terms of the relevant Securities, such announcement may be construed as a relevant Benchmark Event (as defined in the relevant Conditions and referred to below) having occurred. In addition, as the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after June 2023 will impact the future sustainability of SOR.

It is not possible to predict with certainty whether, and to what extent the benchmarks will continue to be supported going forward. This may cause the benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities referencing or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities referencing a benchmark.

Investors should also be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. On 30 August 2019, the MAS announced the establishment of a steering committee (the “**SC-STS**”) to oversee an industry-wide benchmark transition from the Singapore Dollar Swap Offer Rate (“**SOR**”) to the Singapore Overnight Rate Average (“**SORA**”). On 5 August 2020, the MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore (“**ABS**”) has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. On 27 October 2020, the SC-STS announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR is set to be discontinued alongside LIBOR discontinuation after June 2023 and more specifically, all lenders and borrowers are to cease the issuance of SOR-linked loans and securities that mature after end-2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR having been discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end 2024. In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021. On 29 July 2021, the SC-STS published a report setting out updated timelines and key recommendations for the industry-wide transition of financial contracts away from the legacy use of SOR. The recommendations cover a wide spectrum of financial products across wholesale and retail markets, and aim to facilitate a smooth transition out of SOR contracts. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR-linked financial products, which was updated on 5 August 2021 and 18 July 2022.

The benchmark fallback arrangements in the Securities may not operate as intended

The Terms and Conditions of the Securities provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest or, as the case may be, rate of distribution could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. If, following the occurrence of a Benchmark Event, no benchmark replacement, successor rate or alternative rate is determined, the ultimate fallback for the purposes of calculation of (i) (in the case of Floating Rate Securities) the rate of interest, or as the case may be, rate of distribution for a particular interest period or, as the case may be, distribution period may result in the rate of interest or, as the case may be, rate of distribution for the last preceding interest period or, as the case may be, distribution period being used and (ii) (in the case of Fixed Rate Perpetual Securities) the reset rate of distribution for a particular reset period may result in the reset rate of distribution for the last preceding reset period being used. This may result in the effective application of a fixed rate for such Securities based on the previous applicable rate. Due to the uncertainty concerning the availability of benchmark replacements, successor rates and alternative rates, the involvement of an independent adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

The use of a benchmark replacement, successor rate or alternative rate (including with the application of an adjustment spread) may result in any Securities linked to or referencing the relevant benchmark replacement, successor rate or alternative rate performing differently (which may include payment of a lower rate of interest or distribution than they would if the relevant reference rate were to continue to apply in its current form).

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Securities

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. Please refer to the risk factor "*The regulation and reform of "benchmarks" may adversely affect the value of Securities referencing such "benchmarks"*" for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Securities referencing risk free rates that differ materially in terms of interest determination when compared with any previous Securities referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest or distribution reference rates for the Singapore Dollar markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Securities issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that interest or distribution on Securities which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date or, as the case may be, Distribution Payment Date. It may be difficult for investors in Securities which reference any such risk free rate to accurately estimate the amount of interest or, as the case may be, distribution which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of such Securities. Further, if Securities referencing Compounded Daily SORA become due and payable as a result of an event of default or enforcement event under the Conditions, the rate of interest or, as the case may be, distribution payable for the final Interest Period or, as the case may be, final Distribution Period in respect of such Securities shall only be determined on the date which the Securities become due and payable and may not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Securities.

In addition, the manner of adoption or application of risk free rates in the Singapore Dollar markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing such risk free rates. Since risk free rates are relatively new market indices, Securities referencing any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Securities may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Securities is linked does not prove to be widely used in securities like the Securities, the trading price of such Securities linked to a risk free rate may be lower than those of Securities linked to indices that are more widely used. Investors in such Securities may not be able to sell such Securities at all or may not be able to sell such Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Securities references will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Securities referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of interest or distribution payable on such Securities and the trading prices of such Securities.

Fluctuation of market value of the Securities issued under the Programme

Trading prices of the Securities are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, its subsidiaries and/or associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, business, financial performance, financial condition and/or future prospects of the Issuer, its subsidiaries and/or its associated companies (if any). As a result, the market price of the Securities may be above or below the price at which the Securities were initially issued to the market.

Further, recent global financial turmoil, rising energy prices, rising interest rates and inflation coupled with the ongoing conflict between Russia and Ukraine have resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial or geopolitical conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Securities.

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or security prices may rise. Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The market prices of Securities issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification and waivers

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities and any such change could materially adversely impact the value of any Securities affected by it.

Application of applicable Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuer will not become bankrupt or insolvent, or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with the Securities. However, it may apply to related contracts that are not found to be directly connected with the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with, or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distribution or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest and/or distribution or principal than expected, or no interest and/or distribution or principal.

Credit ratings may not reflect all risks

The Securities are currently not rated and there is no assurance that a rating will be obtained for the Securities in the future. In the event that the Securities are rated, there is also no assurance that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities may adversely affect the market price of the Securities. In addition, a ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Performance of contractual obligations

The ability of the Issuer to make payments in respect of any Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of the obligations thereunder including the performance by the Trustee and the Issuing and Paying Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of any Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to Securityholders and/or the Couponholders.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including pursuant to Condition 10 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

RISKS RELATING TO THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2028 are, pursuant to the ITA and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023, intended to be "qualifying debt securities" for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the "Singapore Taxation" section of this Information Memorandum.

However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws or MAS circulars be amended or revoked at any time.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Securityholders are exposed to financial risk

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the Issuer. The Issuer may be unable to make interest payments, where applicable, or principal repayments, under a Series of Securities should it suffer a serious decline in net operating cash flows.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restriction in relation to the declaration or payment of distributions on its Junior Obligations, in relation to Senior Perpetual Securities only, (except on a *pro rata* basis) its Senior Parity Obligations and, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition. Investors should be aware that the interests of the Issuer may be different from the interests of the Securityholders.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of seven business days. The only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA, whether distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness and whether the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Singapore Taxation") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Securities under the Programme (after deducting all relevant issue expenses) will be used for general corporate purposes, including refinancing of existing borrowings, financing of investments, funding of existing investments, acquisitions, general working capital and/or capital expenditure requirements of the Issuer, its subsidiaries, associated companies and investments or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a global security or a global certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal, interest or distributions with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is 22.0 per cent. prior to the year of assessment 2024, and 24.0 per cent. thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023 ("**MAS Circular**") that the requirement that QDS have to be substantially arranged in Singapore is refined, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences ("**Specified Licensed Entities**") for all debt securities that are issued on or after 15 February 2023:

(i) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

As the Programme as a whole was arranged by Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation, Singapore Branch and United Overseas Bank Limited, each of which was a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company at such time and is a Specified Licensed Entity, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA pursuant to the MAS Circular, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant

Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

(I) any related party of the Issuer; or

(II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from 15 February 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Relevant Securities upon their maturity or on the early redemption of the Relevant Securities is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium, break cost or payment made on the redemption of the Relevant Securities upon their maturity or on the early redemption of the Relevant Securities which is derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealers may advise the Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arrangers, the Dealers or any of their respective affiliates may purchase Securities for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Securities. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, the Arrangers, the Dealers or any of their respective affiliates may hold long or short positions relating to the Securities.

The Arrangers, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Arrangers and the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Arrangers, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or of its subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Arranger or Dealer or any of their affiliates for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arrangers, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. The Arrangers, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

United States

The Securities have not been and will not be registered under the Securities Act and, the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, or sell or, in the case of Bearer Securities, deliver Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

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

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

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

(c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

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

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Securities to the public in that Relevant State:

(A) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer"**), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

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

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

(b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(c) not a qualified investor as defined in the UK Prospectus Regulation (as defined below); and

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

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Securities to the public in the United Kingdom:

(A) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

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

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

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

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

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

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Mr Teo Ek Tor	Non-Executive Chairman
Mr Stephen Geoffrey Miller	Director, President & Group Chief Executive Officer
Mr Sio Tat Hiang	Non-Executive Director
Mr Lim Ming Seong	Non-Executive Director
Mr Lim Ah Doo	Non-Executive Director
Mr Liu Chee Ming	Non-Executive Director
Mr Justin Weaver Lilley	Non-Executive Director
Mr Vicente Santiago Pérez, Jr.	Non-Executive Director

2. No Director is or was involved (in the last five years) in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer at the time of such petition, other than a petition for a voluntary winding-up of such corporation not involving insolvency;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

SHARE CAPITAL

3. As at the date of this Information Memorandum, there is only one class of ordinary shares and three classes of redeemable convertible preference shares in the capital of the Issuer. The rights and privileges attached to these shares are stated in the Constitution of the Issuer.

4. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of shares	Amount
Ordinary shares	1,467,210,241	S$1,805,223,502
Series A redeemable convertible preference shares (“**RCPS**”)	286,592	S$ 286,592,000
Series B RCPS	800	S$ 80,000,000
Series C RCPS	715,000,000	S$ 715,000,000

BORROWINGS

5. Save as disclosed in Appendix III, the Group had as at 31 December 2022 no other borrowings or indebtedness in the nature of borrowings.

WORKING CAPITAL

6. The Issuer is of the opinion that, after taking into account the present banking facilities, it will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

7. There has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for the financial year ended 31 December 2022.

LITIGATION

8. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge having made reasonable enquiries, threatened against the Issuer or any of its subsidiaries during the 12 months prior to the date of this Information Memorandum, the outcome of which would individually or in the aggregate have had a material adverse effect on the financial position of the Group taken as a whole.

MATERIAL ADVERSE CHANGE

9. There has been no material adverse change in the financial position or business of the Issuer or the Group since 31 December 2022.

CONSENT

10. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected at the registered office of the Issuer at 1 Temasek Avenue, #33-01, Millenia Tower, Singapore 039192 during normal business hours:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 10 above; and

    (d) the audited consolidated financial statements of the Group for FY2021 and FY2022.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

12. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The information in this Appendix II has been extracted from the annual report of Singapore Technologies Telemedia Pte Ltd and its subsidiaries for the financial year ended 31 December 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

KPMG

Singapore Technologies Telemedia Pte Ltd
and its subsidiaries
Registration Number: 199500279W

Annual Report
Year ended 31 December 2021

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages FS1 to FS129 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 December 2021 and the financial performance and changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Teo Ek Tor	(Chairman)
Sio Tat Hiang	
Stephen Geoffrey Miller	
Lim Ming Seong	
Lim Ah Doo	
Liu Chee Ming	
Justin Weaver Lilley	
Vicente S. Perez, Jr.	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
The Company		
5.00% Subordinated Perpetual Securities issued under Singapore Technologies Telemedia Pte Ltd's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$1,500,000	S$1,500,000
Stephen Geoffrey Miller	S$250,000	S$250,000
The Company		
4.10% Subordinated Perpetual Securities issued under Singapore Technologies Telemedia Pte Ltd's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$2,500,000	S$2,500,000
The Company		
4.20% Subordinated Perpetual Securities issued under Singapore Technologies Telemedia Pte Ltd's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	–	S$3,000,000
Related Corporations		
Datameer, Inc.		
Stock option to purchase shares of the common stock, exercisable by 15.11.2027 at US$1.56 each		
Stephen Geoffrey Miller Held in trust for STT inTech Pte. Ltd.	1,146,953	1,146,953
Mapletree Logistics Trust Management Ltd.		
Unitholdings in Mapletree Logistics Trust		
Lim Ah Doo	185,000	215,200
Olam International Limited		
Ordinary shares		
Lim Ah Doo	139,300	265,700

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations (Cont'd)		
Singapore Technologies Engineering Ltd		
Ordinary shares		
Lim Ming Seong	8,336	8,336
Lim Ah Doo	87,300	99,900
StarHub Ltd		
Ordinary shares		
Teo Ek Tor	257,238	285,138
Lim Ming Seong	236,936	268,636
- Held in the name of Citibank Nominees Singapore Pte Ltd	100,000	100,000
Stephen Geoffrey Miller	83,700	116,000
Liu Chee Ming	37,100	37,100
- Held in the name of HL Bank	191,584	191,584
STT GDC Pte. Ltd. ("STT GDC")		
3.59% Notes issued under STT GDC's S$1,500,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$2,500,000	S$2,500,000
TeleChoice International Limited		
Ordinary shares		
Lim Ming Seong	60,000	60,000
Stephen Geoffrey Miller	251,000	251,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the "Share Options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects 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.

Share options

StarHub Ltd ("StarHub")

StarHub has in place the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, "StarHub Share Plans", and each, "StarHub PSP 2014" and "StarHub RSP 2014" respectively). The StarHub Share Plans were approved and adopted at the Extraordinary General Meeting of StarHub ("StarHub EGM") held on 14 April 2014.

The StarHub Share Plans are administered by StarHub's Executive Resource and Compensation Committee ("StarHub ERCC") comprising three directors, namely Michelle Lee Guthrie, Stephen Geoffrey Miller and Lionel Yeo Hung Tong.

StarHub designates the Company as its parent company for purposes of StarHub Share Plans.

StarHub Share Plans

(i) The StarHub Share Plans were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for StarHub Group.

(ii) The following persons were/shall be eligible to participate in the StarHub Share Plans, respectively at the absolute discretion of StarHub ERCC:

(1) employees (including executive directors) and non-executive directors of StarHub Group;

(2) employees (including executive directors) and non-executive directors of StarHub's parent company and its subsidiaries ("StarHub Parent Group") who meet the relevant age and rank criteria and whose services have been seconded to a company within StarHub Group and who shall be regarded as an employee of StarHub Group for the purposes of the StarHub Share Plans; and

(3) employees and non-executive directors of StarHub's associated companies, who in the opinion of StarHub ERCC, have contributed or will contribute to the success of StarHub Group.

(iii) Under the StarHub PSP 2014, awards of shares are granted on an annual basis, conditional on targets set for a performance period, currently prescribed to be a three-year period. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives.

Awards are released once StarHub ERCC is satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period.

Since the commencement of the StarHub PSP 2014 to the financial year ended 31 December 2021, conditional awards aggregating 7,224,500 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.825 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) the performance of StarHub's Total Shareholders' Return ("StarHub's TSR") measured against the MSCI Asia-Pacific Telecommunications Index (including Japan) over the performance period, and (b) the Wealth Added which measures investment performance in terms of StarHub's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2017 to financial year ended 31 December 2018, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Returns on Invested Capital ("ROIC"), and (b) the Wealth Added which measures investment performance in terms of StarHub's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and after the financial year ended 31 December 2019, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Absolute StarHub's TSR against Cost of Equity hurdles (i.e. measure of Wealth added), and (b) the Relative StarHub's TSR against selected peers from the MSCI Asia Pacific Telecommunications Index, and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

Details of share awards granted under the StarHub PSP 2014 are as follows:

	Balance outstanding at 1 January '000	**Number of performance shares granted '000**	**Number of performance shares vested '000**	**Number of performance shares forfeited '000**	**Balance outstanding at 31 December '000**
2021					
Date of grant					
28.03.2018	395	–	(109)	(286)	–
01.10.2019	1,206	–	–	–	1,206
28.12.2020	564	–	–	(42)	522
16.08.2021	–	1,726	–	–	1,726
Total	2,165	1,726	(109)	(328)	3,454

(iv) Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related, after a further period of service beyond the performance period (performance-based restricted awards).

No minimum vesting periods are prescribed under the StarHub RSP 2014 and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the StarHub PSP 2014 in that an extended vesting period is imposed beyond the performance period.

The performance-based restricted awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets. The actual number of shares to be released depends on the level of attainment of the performance targets over the performance period.

For performance-based restricted awards granted prior to and during financial year ended 31 December 2016, the performance targets used were measured against the ROIC and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

For performance-based restricted awards granted during and from financial year ended 31 December 2017 to financial year ended 31 December 2018, the performance targets used were aligned to the overall strategic financial and operational goals of the Group.

For performance-based restricted awards granted during and from financial year ended 31 December 2019 onwards, the performance targets used are measured against the ROIC.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2021:

(1) performance-based restricted awards aggregating 18,963,650 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award, will be delivered if the stretch performance targets are met or exceeded. For share awards granted during and after the financial year ended 31 December 2017, no shares will be delivered if the threshold performance target are not achieved, while up to the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded;

(2) restricted awards aggregating 1,582,600 shares have been granted to non-executive directors of StarHub as part of their directors' remuneration, and were vested immediately upon grant;

(3) a time-based restricted award of 32,500 shares has been granted on 8 July 2015. The shares under this award were vested in two equal tranches over a 2-year period from 8 July 2015 to 7 July 2017 according to a specified vesting schedule;

(4) a time-based restricted award of 240,000 shares has been granted on 20 May 2016. The shares under this award were vested in two equal tranches over a period from 20 May 2016 to 7 July 2017 according to a specified vesting schedule;

(5) a time-based restricted award of 592,590 shares has been granted on 15 March 2017. The shares under this award were vested in two equal tranches over a period from 15 March 2017 to 15 January 2018;

(6) a time-based restricted award of 400,000 shares has been granted on 6 April 2017. The shares under this award were vested in three tranches over a 3-year period from 13 April 2018 to 15 April 2020; and

(7) a time-based restricted award of 118,700 shares has been granted on 7 September 2018. The shares under this award were vested in one tranche on 9 July 2019.

Share awards granted and vested during the financial year, and share awards outstanding at the end of the financial year, under the StarHub RSP 2014, are as follows:

Date of grant	Balance outstanding at 1 January 2021	Number of restricted shares granted	Number of restricted shares vested	Number of restricted shares forfeited	Balance outstanding at 31 December 2021
	'000	'000	'000	'000	'000
28.03.2018	332	–	(325)	(7)	–
03.07.2019	1,018	–	(502)	(43)	473
01.10.2019	377	–	(178)	(31)	168
26.03.2020	2,646	–	(834)	(325)	1,487
31.03.2021	–	3,554	–	(302)	3,252
	4,373	3,554	(1,839)	(708)	5,380

During the financial year, a total of 2,269,745 treasury shares of StarHub were transferred pursuant to the StarHub Share Plans.

As at 31 December 2021, no participant has been granted and/or received shares pursuant to the release of awards granted under the StarHub Share Plans, which, in aggregate, represents 5% or more of the aggregate of:

(a) the total number of new shares available under the StarHub Share Plans collectively; and

(b) the total number of existing shares delivered pursuant to awards released under the StarHub Share Plans collectively.

TeleChoice International Limited ("TeleChoice")

Long Term Incentive Plans

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "TeleChoice Plans"), were approved and adopted by TeleChoice's members at an Extraordinary General Meeting of TeleChoice held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Information regarding the TeleChoice Plans is set out below:

(i) The TeleChoice Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for TeleChoice.

(ii) The TeleChoice Plans are administered by TeleChoice's Remuneration Committee comprising three directors, namely Ronald Seah Lim Siang, Yeo Siew Chye Stephen and Stephen Geoffrey Miller (the "TeleChoice RC").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the TeleChoice Plans at the absolute discretion of the TeleChoice RC:

a) employees and non-executive directors of TeleChoice and/or any of its subsidiaries;

b) employees and non-executive directors of STT Communications Ltd ("STTC") and its subsidiaries, who may be seconded to render services and contribute to the success of TeleChoice Group; and

c) employees of associated companies of TeleChoice.

(iv) Controlling shareholders and associates of controlling shareholders of TeleChoice will not be eligible to participate in the TeleChoice Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receivc fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. The vesting period of the awards granted under the TeleChoice Plans is between one to three years. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the TeleChoice RC is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vi) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the TeleChoice RC is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the 2016 TeleChoice RSP grants, the total number of shares to be awarded depends on the level of attainment of the corporate performance targets. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.3 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded. For the TeleChoice RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(vii) Since the commencement of the TeleChoice Plans to the financial year ended 31 December 2021, conditional awards aggregating 52,381,810 (2020: 49,048,810) shares have been granted under the aforesaid TeleChoice Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. No shares under the TeleChoice Plans were released during the financial year ended 31 December 2021 (2020: 3,635,810 shares).

(viii) During the financial year ended 31 December 2021, conditional awards aggregating 2,690,000 (2020: 5,595,000) shares have been granted under the TeleChoice Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. An aggregate 12,625,150 shares under the TeleChoice Plans were outstanding as at 31 December 2021 (2020: 10,751,270 shares).

(ix) During the financial year ended 31 December 2021, restricted share awards aggregating 643,000 (2020: 658,000) shares were also granted under the TeleChoice RSP. These share awards formed 30% (2020: 30%) of the payment of TeleChoice Directors' remuneration for the financial year ended 31 December 2020 (2020: 31 December 2019) to all of the TeleChoice Directors (other than Lim Chai Hock Clive) and were granted without any performance or vesting conditions attached, but subject to a selling moratorium and other terms and conditions.

(x) Since commencement of the TeleChoice Plans, no share awards were granted under the TeleChoice Plans at a discount.

Since the commencement of the TeleChoice Plans, no share awards have been granted to any participant who is a controlling shareholder of TeleChoice or an associate of such controlling shareholder of TeleChoice (save for Lim Chai Hock Clive, who was a controlling shareholder of TeleChoice until 26 December 2013, when he then became an associate of a controlling shareholder of TeleChoice). Lim Chai Hock Clive had informed TeleChoice and TeleChoice had in turn on 4 March 2019, announced that he had acquired all the shares of Leap International Pte Ltd ("Leap") from his daughter, Lim Shi, and is deemed to be interested in all the shares of TeleChoice that are held by Leap. The grant of the share awards to Lim Chai Hock Clive as part of his director's remuneration for the financial years ended 31 December 2013, 2014, 2015 and 2016 were approved and ratified by the independent members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Except as disclosed above, there were no options granted during the financial year by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Teo Ek Tor
Chairman

Stephen Geoffrey Miller
Director

5 May 2022

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Independent auditors' report

Member of the Company
Singapore Technologies Telemedia Pte Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Technologies Telemedia Pte Ltd ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flows statement of the Group and the income statement, statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS129.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and financial performance and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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<table>
<tr><td colspan="2">Valuation of goodwill
(Refer to note 2.8 – Accounting policies of impairment in non-financial assets and note 5 – Goodwill on consolidation)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>At 31 December 2021, the carrying amount of the Group's goodwill amounted to $1,943 million or 13% of the Group's total assets.

As part of the annual goodwill impairment assessment, the Group uses the discounted cash flow technique to determine the recoverable amounts.

The determination of the recoverable amount requires judgement as it involves significant estimation uncertainties, including developing assumptions such as revenue growth rates, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin, EBITDA exit multiple, discount rates and terminal growth rates to be applied.

These assumptions are inputs used in the discounted cash flow models prepared by the Group to assess the recoverable amounts of goodwill and whether an impairment charge to the consolidated income statement is required.

In view of the financial significance of the goodwill, the level of judgement required to develop these assumptions and the business challenges faced by certain entities within the Group, impairment assessment of goodwill is a key audit matter.</td><td>Our procedures included, among others:

• We evaluated the identification of the cash generating units within the Group against the requirements of the accounting standards.

• We assessed the reliability of the forecast by comparing the actual performance against previous forecasts.

• We assessed the assumptions used in the discounted cash flow models, including the revenue growth rates, EBITDA margin, EBITDA exit multiple, discount rates and terminal growth rates by comparing them to externally derived data or historical performance where available.

• We performed sensitivity or breakeven analyses on the key assumptions and analysed the impact to the recoverable amount.

• We assessed the adequacy of the related disclosures in the financial statements in describing the inherent degree of estimation uncertainty and key assumptions used.</td></tr>
<tr><td colspan="2">Findings
We found the assumptions and inputs used by management to be supportable and/or within reasonable range. The related disclosures were appropriate.</td></tr>
</table>

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Revenue recognition	
(Refer to Income Statement and note 2.14 - Accounting policies of revenue recognition)	
The key audit matter	*How the matter was addressed in our audit*
The Group derives its Mobile, Pay TV, Broadband, Enterprise Fixed services revenue and sale of equipment mainly through its significant subsidiaries, StarHub Ltd and U Mobile Sdn. Bhd. The Group uses data captured in network switches and source systems (such as customer record, point of sales), which are interfaced with billing and management IT reporting systems, to recognise revenue. The Group also relies on a combination of system automated controls and manual controls to ensure revenue recognition is appropriate. The processes in place to capture revenue for financial reporting require regular changes to cater for business and product developments. Owing to the varieties of products and services, different pricing models as well as numerous forms of rebate and discount offerings, together with the complexities in telecommunication systems and related configurations, there is a risk that revenue may not be accurately recorded. Given the complexity of systems, significant volume of data processed, and introduction of new products, the determination of the amount and timing of revenue to be recognised is a highly judgemental process.	Our procedures included, among others: • We obtained an understanding of the nature of various revenue streams and the related revenue recording processes. • We assessed the appropriateness of revenue recognition policies for products and services offered by the Group and the appropriateness of the identification of performance obligations by management and basis of allocation of the transaction price within the contract. • We tested the design and implementation, and operating effectiveness of controls over the capture and recording of revenue. • We tested the relevant automated controls, including interface controls between different IT applications. • We tested key manual reconciliation controls over revenue recognition used by management for certain revenue streams.
Findings	
We found that there are processes in place to capture revenue for financial reporting.	

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Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information contained in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Low Gin Cheng, Gerald.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 May 2022

Balance sheets
As at 31 December 2021

	Note	Group 2021	Group 2020	Company 2021	Company 2020
		$'m	$'m	$'m	$'m
Non-current assets					
Property, plant and equipment	3	5,001	4,319	–	–
Intangible assets	4	656	720	–	–
Goodwill on consolidation	5	1,943	1,924	–	–
Right-of-use assets	6	1,306	1,290	–	–
Interests in:					
- subsidiaries	7	–	–	4,140	3,290
- associates	8	1,920	2,022	–	–
- joint ventures	9	59	63	–	–
Other financial assets	10	236	188	–	–
Deferred tax assets	11	199	178	–	–
Contract assets	12	79	91	–	–
Contract costs	12	14	13	–	–
Other receivables, deposits and prepayments	16	69	103	–	–
Balances with related parties	17	65	67	451	451
		11,547	10,978	4,591	3,741
Current assets					
Inventories	13	70	98	–	–
Contract assets	12	356	375	–	–
Contract costs	12	30	39	–	–
Trade receivables	15	443	413	–	–
Other receivables, deposits and prepayments	16	417	252	–	–
Balances with related parties	17	21	28	1	1
Cash and cash equivalents	18	2,404	1,737	–	–
		3,741	2,942	1	1
Total assets		15,288	13,920	4,592	3,742

The accompanying notes form an integral part of these financial statements.

Balance sheets (cont'd)
As at 31 December 2021

		Group		Company	
	Note	2021	2020	2021	2020
		S'm	S'm	S'm	S'm
Equity attributable to equity holder of the Company					
Share capital	19	2,887	2,534	2,887	2,534
Perpetual securities	21	1,237	737	1,237	737
Reserves	20	753	805	16	19
		4,877	4,076	4,140	3,290
Non-controlling interests	22	938	841	–	–
Total equity		5,815	4,917	4,140	3,290
Non-current liabilities					
Contract liabilities	12	77	60	–	–
Bank and other borrowings	24	6,330	5,738	451	451
Deferred tax liabilities	11	114	132	–	–
Other non-current liabilities	27	453	745	–	–
		6,974	6,675	451	451
Current liabilities					
Contract liabilities	12	172	166	–	–
Trade payables		336	228	–	–
Other payables, accruals and provisions	28	1,453	1,435	1	1
Balances with related parties	17	21	16	–	–
Bank and other borrowings	24	459	399	–	–
Current tax payable		58	84	–	–
		2,499	2,328	1	1
Total liabilities		9,473	9,003	452	452
Total equity and liabilities		15,288	13,920	4,592	3,742

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 December 2021

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		S'm	**S'm**	**S'm**	**S'm**
Revenue					
Dividend income					
- subsidiaries		–	–	39	17
Sale of equipment		611	593	–	–
Mobile revenue		1,501	1,574	–	–
Pay TV revenue		180	188	–	–
Broadband revenue		194	176	–	–
Enterprise fixed revenue		705	645	–	–
Data centres co-location services		842	615	–	–
e-Business solutions and consulting services		101	88	–	–
Maintenance and installation services		70	74	–	–
	29	4,204	3,953	39	17
Less: Operating expenses					
Cost of equipment sold		574	539	–	–
Cost of telecommunication services		925	955	–	–
Cost of co-location services		262	198	–	–
Cost of cloud services		21	20		
Depreciation, amortisation and impairment		829	868	–	–
Marketing and promotion expenses		87	101	–	–
Staff costs		616	612	–	–
Rental expenses		20	12	–	–
Loss allowances		22	32	–	–
Other operating expenses		510	453	–	–
		3,866	3,790	–	–

The accompanying notes form an integral part of these financial statements.

Income statements (cont'd)
Year ended 31 December 2021

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		S'm	**S'm**	**S'm**	**S'm**
Profit from operations	30	338	163	39	17
Finance costs	32	(309)	(310)	(18)	(18)
Finance income	33	92	21	18	18
Share of results of associates and joint ventures, net of tax	8,9	(176)	(70)	–	–
Other income	34	59	274	–	–
Other expenses	34	(15)	(31)	–	–
(Loss)/profit before taxation		(11)	47	39	17
Tax (expense)/income	35	(16)	104	–	–
(Loss)/profit for the year		(27)	151	39	17
Attributable to:					
Equity holder of the Company		(89)	91	39	17
Non-controlling interests		62	60	–	–
(Loss)/profit for the year		(27)	151	39	17

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 December 2021

	Group		Company	
	2021	**2020**	**2021**	**2020**
	S'm	**S'm**	**S'm**	**S'm**
(Loss)/profit for the year	(27)	151	39	17
Other comprehensive income				
Items that will not be reclassified subsequently to income statement:				
Share of defined benefit plan remeasurements of associate	1	1	–	–
Net change in fair value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	(10)	(79)	–	–
Items that are or may be reclassified subsequently to income statement:				
Translation differences relating to:				
- financial statements of foreign operations	13	(20)	–	–
- monetary items forming part of net investments in foreign operations	(13)	4	–	–
Effective portion of changes in fair value of cash flow hedges	27	(17)	–	–
Share of other comprehensive income of associates and joint ventures, net of tax	78	20	–	–
Realisation of reserve upon liquidation of foreign operation	(1)	–	–	–
Other comprehensive income for the year, net of tax	95	(91)	–	–
Total comprehensive income for the year	68	60	39	17
Attributable to:				
Equity holder of the Company	–	20	39	17
Non-controlling interests	68	40	–	–
Total comprehensive income for the year	68	60	39	17

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2021

Group	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
At 1 January 2020	2,172	356	9	(208)	(36)	(21)	(488)	1,575	3,359	801	4,160
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	91	91	60	151
Other comprehensive income											
Translation differences relating to:											
- financial statements of foreign operations	–	–	–	(15)	–	–	–	–	(15)	(5)	(20)
- monetary items forming part of net investments in foreign operations	–	–	–	4	–	–	–	–	4	–	4
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	(13)	–	–	(13)	(4)	(17)
Net change in fair value of financial assets at FVOCI	–	–	–	–	(69)	–	–	–	(69)	(10)	(79)
Share of other comprehensive income of associates and joint ventures, net of tax	–	–	–	21	–	–	–	1	22	(1)	21
Total other comprehensive income, net of tax	–	–	–	10	(69)	(13)	–	1	(71)	(20)	(91)
Total comprehensive income for the year	–	–	–	10	(69)	(13)	–	92	20	40	60
Brought forward	2,172	356	9	(198)	(105)	(34)	(488)	1,667	3,379	841	4,220

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2021

Group	Note	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
Carried forward		2,172	356	9	(198)	(105)	(34)	(488)	1,667	3,379	841	4,220
Transactions with owners, recorded directly in equity												
Issuance of redeemable convertible preference shares	19	362	–	–	–	–	–	–	–	362	–	362
Issuance of perpetual securities	21	–	373	–	–	–	–	–	–	373	–	373
Accrued perpetual securities distribution		–	25	–	–	–	–	–	(28)	(3)	3	–
Perpetual securities distribution paid		–	(17)	–	–	–	–	–	–	(17)	(8)	(25)
Dividends to non-controlling interests of subsidiaries	20	–	–	–	–	–	–	–	–	–	(39)	(39)
Capital contribution from non-controlling interests of a subsidiary		–	–	–	–	–	–	–	–	–	16	16
Share of capital reserve of an associate		–	–	(1)	–	–	–	–	–	(1)	–	(1)
Share-based payment transactions		–	–	–	–	–	–	–	–	–	3	3
Net effect from business combinations		–	–	(14)	–	–	–	–	–	(14)	(4)	(18)
Changes in ownership interests without a change of control		–	–	–	–	–	–	–	(3)	(3)	29	26
Total transactions with owners		362	381	(15)	–	–	–	–	(31)	697	–	697
At 31 December 2020		2,534	737	(6)	(198)	(105)	(34)	(488)	1,636	4,076	841	4,917

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2021

Group	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
At 1 January 2021	2,534	737	(6)	(198)	(105)	(34)	(488)	1,636	4,076	841	4,917
Total comprehensive income for the year											
(Loss)/profit for the year	–	–	–	–	–	–	–	(89)	(89)	62	(27)
Other comprehensive income											
Translation differences relating to:											
- financial statements of foreign operations	–	–	–	8	–	–	–	–	8	5	13
- monetary items forming part of net investments in foreign operations	–	–	–	(13)	–	–	–	–	(13)	–	(13)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	20	–	–	20	7	27
Net change in fair value of financial assets at FVOCI	–	–	–	–	(4)	–	–	–	(4)	(6)	(10)
Share of other comprehensive income of associates and joint ventures, net of tax	–	–	–	78	–	–	–	1	79	–	79
Realisation of reserve upon liquidation of foreign operation	–	–	–	(1)	–	–	–	–	(1)	–	(1)
Total other comprehensive income, net of tax	–	–	–	72	(4)	20	–	1	89	6	95
Total comprehensive income for the year	–	–	–	72	(4)	20	–	(88)	–	68	68
Brought forward	2,534	737	(6)	(126)	(109)	(14)	(488)	1,548	4,076	909	4,985

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2021

Group	Note	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
Carried forward		2,534	737	(6)	(126)	(109)	(14)	(488)	1,548	4,076	909	4,985
Transactions with owners, recorded directly in equity												
Issuance of redeemable convertible preference shares	19	353	–	–	–	–	–	–	–	353	–	353
Issuance of perpetual securities	21	–	496	–	–	–	–	–	–	496	–	496
Accrued perpetual securities distribution		–	36	–	–	–	–	–	(39)	(3)	3	–
Perpetual securities distribution paid		–	(32)	–	–	–	–	–	1	(31)	(8)	(39)
Dividends to owner of the Company	20	–	–	–	–	–	–	–	(6)	(6)	–	(6)
Dividends to non-controlling interests of subsidiaries	20	–	–	–	–	–	–	–	–	–	(39)	(39)
Put option liability to acquire non-controlling interests		–	–	(1)	–	–	–	–	–	(1)	–	(1)
Share-based payment transactions		–	–	–	–	–	–	–	–	–	3	3
Share of capital reserve of an associate		–	–	(1)	–	–	–	–	–	(1)	–	(1)
Changes in ownership interests without a change of control		–	–	–	–	–	–	–	(6)	(6)	70	64
Total transactions with owners		353	500	(2)	–	–	–	–	(50)	801	29	830
At 31 December 2021		2,887	1,237	(8)	(126)	(109)	(14)	(488)	1,498	4,877	938	5,815

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2021

Company	Note	Share capital $'m	Perpetual securities $'m	Accumulated profits $'m	Total $'m
At 1 January 2020		2,172	356	27	2,555
Profit for the year/Total comprehensive income for the year		–	–	17	17
Transactions with owner, recorded directly in equity					
Contributions by and distribution to owner					
Issuance of redeemable convertible preference shares	21	362	–	–	362
Issuance of perpetual securities		–	373	–	373
Accrued perpetual securities distribution		–	25	(25)	–
Perpetual securities distribution paid		–	(17)	–	(17)
Total transactions with owner		362	381	(25)	718
At 31 December 2020		2,534	737	19	3,290
At 1 January 2021		2,534	737	19	3,290
Profit for the year/Total comprehensive income for the year		–	–	39	39
Transactions with owner, recorded directly in equity					
Issuance of redeemable convertible preference shares	21	353	–	–	353
Issuance of perpetual securities		–	496	–	496
Accrued perpetual securities distribution		–	36	(36)	–
Perpetual securities distribution paid		–	(32)	–	(32)
Dividends to owner	20	–	–	(6)	(6)
Total transactions with owner		353	500	(42)	811
At 31 December 2021		2,887	1,237	16	4,140

The accompanying notes form an integral part of these financial statements.

Consolidated cash flow statement
Year ended 31 December 2021

	2021 S'm	2020 S'm
Cash flows from operating activities		
(Loss)/profit for the year	(27)	151
Adjustments for:		
Fair value gain on fair value through profit or loss financial assets	(34)	(2)
Depreciation, amortisation and impairment	829	868
Impairment of goodwill	–	5
Write-off on intangible assets	–	1
Loss/(gain) on dilution of interest in associate	15	(268)
Finance costs	309	310
Finance income	(92)	(21)
Share of results of associates and joint ventures, net of tax	176	70
Tax expense/(income)	16	(104)
Gain on liquidation of foreign operation	(1)	–
Equity-settled share-based payment transactions	3	3
Exchange differences from investing and financing activities	(3)	1
Provisions (reversed)/made	(20)	26
	1,171	1,040
Changes in:		
Balances due from related parties	3	–
Balances due to related parties	5	(6)
Inventories	28	29
Payables and accruals	(16)	(67)
Receivables, deposits and prepayments	(5)	58
Cash generated from operations	1,186	1,054
Income taxes paid	(84)	(59)
Net cash from operating activities	1,102	995

The accompanying notes form an integral part of these financial statements.

Consolidated cash flow statement (cont'd)
Year ended 31 December 2021

	Note	2021 S'm	2020 S'm
Cash flows used in investing activities			
Interest received		12	22
Acquisitions of subsidiaries, net of cash acquired	40	(18)	(74)
Purchase of intangible assets		(51)	(65)
Purchase of other financial assets		(25)	(4)
Purchase of property, plant and equipment		(1,120)	(958)
Proceeds from disposal of property, plant and equipment		4	2
Proceeds from disposal of share rights issued by equity investment		1	–
Repayment of loan from associate		6	–
Loan to external party	16(i)	(105)	–
Payment of deferred consideration		(6)	–
Payment for investments in associates and joint ventures		(7)	(752)
Net cash used in investing activities		(1,309)	(1,829)
Cash flows from financing activities			
Bank and borrowings:			
- proceeds		1,072	1,553
- repayment		(399)	(846)
Payment for spectrum licence		(96)	(6)
Purchase of treasury shares		(5)	(7)
Proceeds from issuance of perpetual securities, net of transaction costs	21	496	373
Proceeds from issuance of redeemable convertible preference shares	19	353	362
Distribution for perpetual securities of the Company		(32)	(17)
Distribution for perpetual securities of a subsidiary		(8)	(8)
Dividends paid to owner of the Company		(6)	–
Dividends paid to non-controlling interests of subsidiaries		(39)	(39)
Capital contribution from non-controlling interests		69	43
Payment for lease liabilities		(228)	(163)
Interest paid		(303)	(323)
Cash pledged as security		6	(4)
Net cash from financing activities		880	918
Net increase in cash and cash equivalents		673	84
Cash and cash equivalents at beginning of the year		1,708	1,624
Cash and cash equivalents at end of the year	18	2,381	1,708

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 5 May 2022.

1 Domicile and activities

Singapore Technologies Telemedia Pte Ltd (the "Company") is incorporated in the Republic of Singapore and has its registered office at 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192.

The Company is principally engaged in the provision of info-communications services and investment holding. Through its subsidiaries, associates and joint ventures, the Group offers a wide array of communications and information services, including fixed and mobile communications, global IP network and services, cable television services, data centre co-location, managed hosting and managed cloud services.

The immediate and ultimate holding company is Temasek Holdings (Private) Limited ("Temasek"), a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates and joint ventures.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s").

The historical cost basis is used except for certain financial assets and financial liabilities which are stated at fair value.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million, unless otherwise stated.

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge and judgement of current events and environment. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 24 – Lease term: whether the Group is reasonably certain to exercise extension options

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are as follows:

- Note 2.14 – Revenue recognition
- Note 5 – Assumptions of recoverable amounts relating to impairment of goodwill
- Note 38(a) – Valuation of unquoted investments
- Note 40 – Business combinations: fair value measured on a provisional basis

Adoption of new and revised standards

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*
- *Covid-19 Related Rent Concessions (Amendments to SFRS (I) 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements, unless otherwise stated.

2.2 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the acquisition date, which is the date when control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I).

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisition from entities under common control

Acquisitions of subsidiaries from related corporations controlled by the ultimate holding company, Temasek, are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Equity-accounted investees

Associates are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Written put option or forward purchase agreements with non-controlling interests

When an entity within the Group writes a put option or enters into a forward purchase agreement with the non-controlling shareholders as part of the acquisition of a subsidiary, for settlement in cash or in another financial asset, a liability is recognised for the present value of the exercise price of the put option or of the forward price.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the liability is recognised against capital reserve within equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity (put option) and in the income statement (forward).

If the put option expires unexercised, then the put option liability is derecognised and reversed against equity. If the put option is exercised or when the forward is settled, then the charge to equity will be reversed and the financial liability will be derecognised.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an equity investment designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

Net investment in a foreign operation

When the settlement of a monetary item receivable or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income of the Group, and are presented in the currency translation reserve in equity.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of property, plant and equipment.

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the 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 and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is provided on the straight-line basis over their estimated useful lives as follows:

Freehold buildings	- 50 to 60 years
Freehold improvements	- 20 years
Buildings	- shorter of remaining lease terms or 60 years
Building improvements	- shorter of remaining lease terms or 20 years
Data centre equipment, network and telecommunication equipment and infrastructure	- 2 to 30 years
Office equipment, computers, and furniture and fittings	- 1 to 15 years
Motor vehicles	- 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date. The effect of any changes in estimate is accounted for on a prospective basis. Changes in the expected level of usage and technological developments could impact the useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

No depreciation is provided on freehold land and assets under construction.

2.5 Intangible assets

Goodwill

Goodwill arise on the acquisition of subsidiaries, associates and joint ventures.

Goodwill arising on the acquisition of subsidiaries is presented separately. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain (negative goodwill) is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in Note 2.8.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised in the income statement on a straight-line basis from the date they are available for use over their estimated useful lives as follows:

Telecommunications licences	-	over the period of the licences of 10 to 21 years
Software	-	2 to 20 years
Branding	-	10 years
Customer contracts and relationships	-	1 to 15 years

No amortisation is provided in respect of software in development.

Subsequent expenditure on capitalised intangible assets is added to the carrying amount only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the leases and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The Group classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. When the sublease is assessed as an operating lease, the Group recognises lease income from subleased property as 'revenue' on a straight-line basis over the term of the lease. The right-of-use asset relating to the head lease is not derecognised.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

2.7 Financial instruments

Non-derivative financial instruments

Recognition and initial measurement

Non-derivative financial instruments comprise equity investments, debt securities, trade and other receivables, deposits, cash and cash equivalents, contingent consideration, forward liability, trade and other payables, accruals, balances with related parties and bank and other borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfer substantially all the risks and rewards of ownership of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

Non-derivative financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on derecognition is recognised in the income statement.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On de-recognition, cumulative gains and losses recognised in other comprehensive income are transferred to accumulated profits.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in income statement. Directly attributable transaction costs are recognised in the income statement as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprise trade and other payables, accruals, balances with related parties, lease liabilities and bank and other borrowings.

Derivative financial instruments and hedging accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in income statement.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the income statement.

Equity

Ordinary shares are classified as equity. Preference shares and perpetual securities are classified as equity if it is non-redeemable, or redeemable only at the Company's option and any dividends are discretionary.

Incremental costs directly attributable to the issue of ordinary shares, preference shares and perpetual securities are recognised as a deduction from equity.

Financial guarantee

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.8 Impairment

Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all financial assets and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 360 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs in the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level within the Group at which goodwill is monitored for internal reporting purposes.

Impairment losses recognised in the income statement in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income statement.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance for obsolescence is made for all deteriorated, damaged, obsolete and slow-moving inventories.

2.10 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement in the periods during which related service are rendered by employees.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Any remeasurements are recognised as staff costs in income statement in the period in which they arise.

Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

Share Option Plans

The Share Option Plans allows Group employees to acquire shares of the subsidiaries. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

The Group has certain cash-settled share-based payment transactions. The fair value of the amount payable to the employees is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised in the income statement.

Performance Share Plan and Restricted Stock Plan (StarHub Group and TeleChoice Group)

The Performance Share Plan and the Restricted Stock Plan are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in the income statement on a straight line basis over the vesting period. At each reporting date, the Group revises its estimates of the number of shares that the participating employees 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.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting date.

2.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Group makes provision for site decommissioning and restoration costs based on management's best estimate of the costs necessary to be incurred to decommission and restore the sites back to its original condition.

2.12 Deferred grants

Government grants received, which are designated for the purchase of property, plant and equipment, are accreted to the income statement on a straight-line basis over the estimated useful lives of the related assets, so as to match the related depreciation expense.

Government grants received, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the periods necessary to match the related cost which they are intended to compensate.

Other government grants are recognised in the income statement when there is reasonable assurance that the Group has complied with the attached conditions and the amount will be received.

2.13 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences at the reporting date arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

2.14 Revenue recognition

Revenue comprises fees earned from telecommunications services, managed services, system integration and solution projects, broadband access, pay TV, related advertising space, sale of equipment and provision of data centre co-location services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue is recognised in the income statement as follows:

- Revenue from bundled products and services is recognised either at a point in time or over time based on the standalone selling price ("SSP") allocated to the individual elements of the bundled products at contract inception. Judgement is required to determine whether products and services qualify as separate performance obligations. Transaction price is allocated in proportion to the estimated SSP for each performance obligation at the inception of the contract. Therefore, management estimates the SSP of each performance obligation, especially those goods or services that are not regularly offered separately to customers. The Group establishes SSP using observable price or in the case observable price is not available, using estimation techniques. The SSP of material right depends on the probability of exercise, which considers historical exercise patterns. Change or absence of SSP of a performance obligation affects the amount of consideration allocated to each performance obligation. Variable considerations are allocated solely to the service component of the contract since they relate specifically to the effort to satisfy the service performance obligation.

- Revenue from telecommunications, broadband and cable television services and advertising space is recognised over time when such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the balance sheet as contract liability.

- Revenue from managed services, system integration and solution projects are recognised based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, multiplied by the total estimated contract revenue. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones. The Group recognises a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the milestone payment is always less than one year.

- Revenue from sales of pre-paid phone cards for which services have not been rendered is deferred and presented in the balance sheet as contract liability. Revenue is recognised over time upon usage of the pre-paid phone cards and upon expiry, any unutilised value of the cards is taken to the income statement. Payment is due when the cards are delivered to customers.

- Revenue from sales of equipment is recognised at a point in time when control of the equipment has been transferred, being at the point of delivery and acceptance of the equipment sold. Delivery occurs when the goods have been shipped to the customer's specified location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. Payment is due when the equipment is delivered to customers.

- Revenue from data centre co-location services is recognised on a straight-line basis over the term of the contract. Revenue billed in advance of the rendering of services is deferred and presented in the balance sheet as contract liability.

- Revenue from digital financial services, including payment services, is recognised when services are rendered.

- Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Any difference between the revenue recognised in relation to the satisfied performance obligation and the amount of consideration received or receivable is presented either as contract asset or contract liability. Contract asset represents the Group's right to consideration, excluding any amount presented as trade receivable, in exchange for the goods or services transferred to customers. Contract liability, on the other hand represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

Variable consideration

Certain contracts with customers include variable considerations like right of return, trade discounts or rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and certain rebates. Under SFRS(I) 15, such provisions will be estimated at contract inception and at every reporting period, adjusted against revenue.

Material right

Under SFRS(I) 15, options to acquire additional goods or services represent separate performance obligations if they provide the customer a material right that the customer would not otherwise receive. In these cases, revenue from the contract is deferred and recognised when future goods and services are transferred or when the option expires. The transaction price is allocated to performance obligations (including the option) based on relative standalone selling prices.

Contract modification

Changes in scope or price (or both) of a contract that is approved by parties to the contract are contract modifications. SFRS(I) 15 prescribes the treatments of contract modifications depending on the attributes of the modification and the remaining goods and/or services.

Contract cost

SFRS(I) 15 requires the incremental costs of obtaining or fulfilling a contract to be recognised as an asset if the entity expects to recover those costs. Those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. The Group has applied the practical expedient, where the incremental costs of obtaining a contract is expensed if the associated amortisation period is 12 months or less.

2.15 Finance income and costs

Finance income comprises interest income on bank deposits, financial assets and loans to related parties. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense and similar charges. They are recognised in the income statement in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.16 Dividends

Dividends to the Company's shareholder are recognised in the financial year in which the dividends are approved by the shareholders.

2.17 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS (I) 17*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to SFRS(I) 1-37)*
- *Annual Improvements to SFRS(I)s 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

3 Property, plant and equipment

Group	Note	Freehold land, buildings and improvements $'m	Buildings and leasehold improvements $'m	Data centre, network and tele-communication equipment and infrastructure $'m	Office equipment, computers and furniture and fittings $'m	Motor vehicles $'m	Assets under construction $'m	Total $'m
Cost								
At 1 January 2020		167	565	5,487	312	10	450	6,991
Translation difference		(2)	2	8	(2)	–	(1)	5
Acquisition through business combinations	40(ii)	–	1	–	5	–	–	6
Additions		–	1	10	19	1	1,030	1,061
Transfers		6	116	586	19	–	(727)	–
Disposals/write-off		–	(6)	(54)	(26)	(2)	(1)	(89)
At 31 December 2020		171	679	6,037	327	9	751	7,974
Translation difference		(1)	–	(29)	(2)	–	5	(27)
Additions		56	12	140	16	–	1,018	1,242
Transfers		34	201	941	25	–	(1,201)	–
Disposals/write-off		–	(8)	(712)	(12)	(1)	(3)	(736)
At 31 December 2021		260	884	6,377	354	8	570	8,453

Group	Freehold land, buildings and improvements $'m	Buildings and leasehold improvements $'m	Data centre, network and tele-communication equipment and infrastructure $'m	Office equipment, computers and furniture and fittings $'m	Motor vehicles $'m	Assets under construction $'m	Total $'m
Accumulated depreciation and impairment losses							
At 1 January 2020	5	87	2,926	233	7	1	3,259
Translation difference	–	1	–	–	–	–	1
Charge for the year	3	30	414	34	1	–	482
Disposals/write-off	–	(6)	(54)	(25)	(2)	–	(87)
At 31 December 2020	8	112	3,286	242	6	1	3,655
Translation difference	–	–	(9)	(1)	–	–	(10)
Charge for the year	3	41	416	37	1	–	498
Disposals/write-off	–	(8)	(669)	(12)	(1)	(1)	(691)
At 31 December 2021	11	145	3,024	266	6	–	3,452
Carrying amounts							
At 1 January 2020	162	478	2,561	79	3	449	3,732
At 31 December 2020	163	567	2,751	85	3	750	4,319
At 31 December 2021	249	739	3,353	88	2	570	5,001

	Group 2021 $'m	Group 2020 $'m
Staff costs capitalised in assets under construction during the year	3	3
Borrowing costs capitalised in assets under construction during the year*	13	20

* *The capitalisation rate for the borrowing costs is 0.3% -7.6% (2020: 1.4% - 8.2%).*

4 Intangible assets

Group	Note	Tele-communications licences $'m	Software $'m	Software in development $'m	Branding $'m	Customer contracts and relationships $'m	Total $'m
Cost							
At 1 January 2020		721	839	28	41	283	1,912
Translation difference		2	1	–	–	(3)	–
Additions		–	23	31	–	–	54
Acquisitions through business combinations	40(ii)	–	22	–	–	15	37
Transfers		–	44	(44)	–	–	–
Disposals/write-off		–	(40)	(1)	–	–	(41)
At 31 December 2020		723	889	14	41	295	1,962
Translation difference		(8)	(3)	–	–	1	(10)
Additions		–	10	66	–	–	76
Transfers		27	15	(42)	–	–	–
Disposals/write-off		–	(262)	–	–	–	(262)
At 31 December 2021		742	649	38	41	296	1,766
Accumulated amortisation and impairment losses							
At 1 January 2020		291	670	–	22	101	1,084
Translation difference		–	1	–	–	(1)	–
Charge for the year		47	115	–	4	32	198
Disposals/write-off		–	(40)	–	–	–	(40)
At 31 December 2020		338	746	–	26	132	1,242
Translation difference		(3)	(3)	–	–	–	(6)
Charge for the year		48	51	–	4	33	136
Disposals/write-off		–	(262)	–	–	–	(262)
At 31 December 2021		383	532	–	30	165	1,110
Carrying amounts							
At 1 January 2020		430	169	28	19	182	828
At 31 December 2020		385	143	14	15	163	720
At 31 December 2021		359	117	38	11	131	656

5 Goodwill on consolidation

	Note	Group 2021 $'m	Group 2020 $'m
Cost, less accumulated impairment			
At 1 January		1,924	1,869
Acquisitions through business combinations	40	20	70
Impairment loss		–	(5)
Translation difference		(1)	(10)
At 31 December		1,943	1,924

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified according to the country of operation of each subsidiary acquired, as follows:

	Group 2021 $'m	Group 2020 $'m
Singapore	873	873
India	271	272
Malaysia	312	318
United Kingdom	354	351
United States	133	110
	1,943	1,924

The recoverable amount of a CGU is based on the greater of its fair value less costs to sell ("FVLCS") and its value-in-use ("VIU").

Singapore

For goodwill arising from the acquisitions of StarHub Ltd ("StarHub"), Ensign InfoSecurity Pte. Ltd ("Ensign Group") and D'Crypt Pte Ltd ("DPL"), the recoverable amounts of the CGUs were determined based on VIU.

The VIU calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The cash flow projections of five years are based on management's assessment of future trends and actual operating results. The cash flow projections greater than five years used in the impairment assessment of a CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIUs were based on the following key assumptions:

	Pre-tax discount rate		Terminal growth rates	
	2021	**2020**	**2021**	**2020**
StarHub	6.0%	5.4%	–	–
DPL	10.4%	12.8%	2.5%	2.5%
Ensign Group	9.0%	9.8%	2.5%	2.5%

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital calculated using the Capital Asset Pricing Model.

Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects from the prolonged COVID-19 pandemic.

Based on the above assumptions, the recoverable amounts were estimated to be higher than the carrying amounts of the CGUs, and no impairment was required in 2021 (2020: nil).

As at 31 December 2021 and 2020, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amounts to be below their carrying amounts.

India

For goodwill allocated to the India CGU amounting to $271 million (2020: $272 million) arising from the acquisition of STT Global Data Centres India Private Limited ("STT India"), the recoverable amount of the CGU was based on VIU.

The VIU was determined by discounting future cash flows generated from the continuing use of the CGU and a terminal value using a long term growth rate. The 6-year (2020: 7-year) cash flow projections were based on management's assessment of anticipated future trends and actual operating results. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	STT India	
	2021	**2020**
Pre-tax discount rate	12.3%	12.1%
Terminal value growth rate	6.0%	6.0%

The values assigned to the key assumptions represent management's assessment of developments in the data centre industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021 (2020: nil).

As at 31 December 2021 and 2020, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below its carrying amount.

Malaysia

For goodwill allocated to the Malaysia CGU amounting to $253 million (2020: $258 million) arising from the acquisition of U Mobile Sdn. Bhd. ("U Mobile"), the recoverable amount of the CGU was based on VIU.

U Mobile's VIU was determined by discounting estimated future cash flows generated from the continuing use of the CGU and a terminal value determined using an Enterprise to EBITDA exit multiple. The 4-year (2020: 5-year) cash flows projections were based on management's assessment of anticipated future trends and actual operating results for the year ended 31 December 2021. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	U Mobile	
	2021	**2020**
Pre-tax discount rate	10.7%	11.6%
Enterprise to EBITDA exit multiple	6.0	8.0

The values assigned to the key assumptions represent management's assessment of developments in the telecommunications industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021 (2020: nil).

As at 31 December 2021 and 2020, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below its carrying amount.

For the remaining goodwill of $59 million (2020: $60 million) arising from the acquisition of Strateq Sdn Bhd ("Strateq"), the recoverable amount of the CGU was determined based on VIU.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The cash flow projections of five years are based on management's assessment of future trends and actual operating results. The cash flow projections greater than five years used in the impairment assessment of a CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

Key assumptions used in the estimation of value-in-use are as follows:

	Strateq	
	2021	**2020**
Pre-tax discount rate	16.0%	16.4%
Terminal value growth rate	–	–

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital calculated using the Capital Asset Pricing Model.

Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects from the prolonged COVID-19 pandemic.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021 (2020: nil).

As at 31 December 2021 and 2020, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below its carrying amount.

United Kingdom

For goodwill allocated to the United Kingdom CGU amounting to $354 million (2020: $351 million) arising from the acquisition of STT Virtus HoldCo Limited ("Virtus"), the recoverable amount of the CGU was based on VIU.

The VIU was determined by discounting future cash flows generated from the continuing use of the CGU and a terminal value using a long term growth rate. The 5-year (2020: 6-year) cash flow projections were based on management assessment of anticipated future trends and actual operating results. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	Virtus	
	2021	**2020**
Pre-tax discount rate	7.5%	7.4%
Terminal value growth rate	2.0%	2.0%

The values assigned to the key assumptions represent management's assessment of developments in the data centre industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021 (2020: nil).

As at 31 December 2021 and 2020, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below the carrying amount.

United States

For goodwill amounting to $90 million (2020: $89 million) arising from the acquisition of 2nd Watch Holding Company, Inc. ("2nd Watch"), the recoverable amount of the CGU was based on FVLCS. Based on the valuation implied by recent round of financing, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021 (2020: nil).

For goodwill amounting to $20 million arising from 2nd Watch's acquisition of Aptitive LLC ("Aptitive") on 31 December 2021 (see Note 40(i)), the recoverable amount of the CGU was based on FVLCS. Based on the valuation implied by the purchase consideration, the recoverable amount approximated the carrying amount, and no impairment was required in 2021.

6 Right-of-use assets

The Group leases land and buildings and other network equipment and infrastructure. The leases typically run for a period of 1 to 60 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group and Company are lessees are presented below.

Group	Note	Land and buildings $'m	Network equipment and infrastructure $'m	Total $'m
2021				
At 1 January		1,276	14	1,290
At 31 December		1,298	8	1,306
Additions and modifications to right-of-use assets		244	–	244
Depreciation charge for the year		(189)	(6)	(195)
2020				
At 1 January		1,200	17	1,217
At 31 December		1,276	14	1,290
Additions and modifications to right-of-use assets		234	5	239
Acquisition through business combinations	40(ii)	20	–	20
Depreciation charge for the year		(182)	(6)	(188)

7 Interests in subsidiaries

Details of subsidiaries are as follows:

	Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
	Held by the Company:			
	STT Communications Ltd ("STTC") - ordinary shares - redeemable convertible preference shares	Singapore	100.0	100.0
	Held by STTC:			
	STT Communications (Shanghai) Co., Ltd	People's Republic of China	100.0	100.0
	STT inTech Pte. Ltd.	Singapore	100.0	100.0
	STT International Vietnam Pte. Ltd.	Singapore	100.0	100.0
	Asia Mobile Holding Company Pte. Ltd.	Singapore	100.0	100.0
	TeleChoice International Limited ("TeleChoice")	Singapore	50.5	50.4
(1)	STT Crossing Ltd	Mauritius	100.0	100.0
	Emerald Communications (Singapore) Pte. Ltd. ("ECS")	Singapore	100.0	100.0
	Straits Mobile Investments Pte. Ltd. ("Straits Mobile")	Singapore	100.0	100.0
	Sampaquita Communications Pte. Ltd.	Singapore	100.0	100.0
	STT GDC Pte. Ltd. ("STT GDC")	Singapore	100.0	100.0
	Held by Asia Mobile Holding Company Pte. Ltd.:			
	Asia Mobile Holdings Pte. Ltd. ("Asia Mobile Holdings")	Singapore	75.0	75.0
	AMHC I Pte. Ltd.	Singapore	100.0	100.0

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by Asia Mobile Holdings:			
StarHub	Singapore	41.9	41.9
Held by STT inTech Pte. Ltd.:			
ST Telemedia Cloud Pte. Ltd. (formally known as "Quantum Security Pte. Ltd.")	Singapore	100.0	100.0
STT Sonic Pte. Ltd.	Singapore	100.0	100.0
Datameer, Inc. ("Datameer")	USA	71.7	71.7
Held by ST Telemedia Cloud Pte. Ltd.:			
STT Connect Holdings Pte. Ltd.	Singapore	100.0	100.0
Cloud Comrade Pte. Ltd.	Singapore	61.9	61.9
CloudCover Pte. Ltd.	Singapore	53.6	53.6
Held by Cloud Comrade Pte. Ltd.:			
Cloud Comrade Sdn. Bhd.	Malaysia	61.9	61.9
PT Cloud Comrade Indonesia	Indonesia	62.1	62.1
Cloud Comrade Pty Ltd	Australia	61.9	–
Held by CloudCover Pte. Ltd.:			
CloudCover Limited	Hong Kong	53.6	53.6
CloudCover Consultancy Private Limited	India	53.6	53.6
Cldcvr LLC	USA	53.6	53.6
Held by STT Sonic Pte. Ltd.:			
2nd Watch	USA	57.4	59.5

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by 2nd Watch:			
2nd Watch, Inc.	USA	57.4	59.5
Held by 2nd Watch, Inc.:			
Aptitive LLC	USA	57.4	–
Held by Datameer:			
Datameer GmbH	Germany	71.7	71.7
Datameer UK Ltd	United Kingdom	71.7	71.7
Held by TeleChoice:			
N-Wave Technologies (Malaysia) Sdn Bhd	Malaysia	50.5	50.4
NexWave Technologies Pte Ltd	Singapore	50.5	50.4
NexWave Telecoms Pte. Ltd.	Singapore	50.5	50.4
Planet Telecoms (S) Pte Ltd	Singapore	50.5	50.4
Planet Telecoms Managed Services Sdn. Bhd.	Malaysia	50.5	50.4
S & I Systems Pte Ltd	Singapore	50.5	50.4
NxGen Communications Pte Ltd	Singapore	50.5	50.4
Planet Managed Services Pte. Ltd.	Singapore	50.5	50.4
Planet Smart Services Pte. Ltd.	Singapore	50.5	50.4
Held by NexWave Technologies Pte Ltd:			
PT NexWave	Indonesia	50.5	50.4
N-Wave Technologies Philippines, Inc.	Philippines	50.5	50.4
NexWave Technologies Vietnam Company Limited	Vietnam	50.5	50.4

	Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
	Held by S & I Systems Pte Ltd:			
	Sunway S&I Systems (Thailand) Ltd	Thailand	25.1	25.0
(2)	Sunway S&I Systems Sdn Bhd	Malaysia	–	25.7
	TeleChoice Technologies (Shanghai) Co. Ltd	China	50.5	50.4
	Held by NxGen Communications Pte Ltd:			
	NxGen Communications (M) Sdn Bhd	Malaysia	50.5	50.4
	NxGen Inc.	Philippines	50.5	50.4
	Held by StarHub:			
	StarHub Mobile Pte Ltd ("StarHub Mobile")	Singapore	41.9	41.9
	StarHub Cable Vision Ltd.	Singapore	41.9	41.9
	StarHub Shop Pte Ltd	Singapore	41.9	41.9
	StarHub Online Pte Ltd	Singapore	41.9	41.9
	StarHub, Inc.	USA	41.9	41.9
	StarHub (Hong Kong) Limited	Hong Kong	41.9	41.9
(2)	StarHub (Mauritius) Ltd	Mauritius	–	41.9
	Nucleus Connect Pte. Ltd.	Singapore	41.9	41.9
	Ensign InfoSecurity Pte. Ltd.	Singapore	23.8	24.5[3]
	Malaren International Sdn. Bhd. ("Malaren")	Malaysia	41.9	41.9

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by Ensign:			
Ensign InfoSecurity (Cybersecurity) Pte. Ltd. ("EIC")	Singapore	23.8[3]	24.5[3]
Keele Investments Pte. Ltd. ("Keele")	Singapore	23.8[3]	24.5[3]
Ensign InfoSecurity (Systems) Pte. Ltd.	Singapore	23.8[3]	24.5[3]
Held by EIC:			
Ensign InfoSecurity (Asia Pacific) Pte. Ltd. ("EIS Asia Pacific")	Singapore	23.8[3]	24.5[3]
Ensign InfoSecurity (SmartTech) Pte. Ltd.	Singapore	23.8[3]	24.5[3]
Ensign InfoSecurity (Networks) Pte. Ltd.	Singapore	23.8[3]	24.5[3]
Held by EIS Asia Pacific:			
Ensign InfoSecurity (Malaysia) Sdn Bhd	Malaysia	23.8[3]	24.5[3]
Ensign InfoSecurity (East Asia) Limited	People's Republic of China	23.8[3]	24.5[3]
Ensign InfoSecurity (Singapore) Pte. Ltd.	Singapore	23.8[3]	24.5[3]
Vectra Information Security Pte. Ltd.	Singapore	23.8[3]	24.5[3]
e-Cop Technology Beijing Co., Ltd	People's Republic of China	23.8[3]	24.5[3]
Held by Keele:			
D'Crypt Pte. Ltd.	Singapore	23.8[3]	24.5[3]
Held by Malaren:			
Nettilling Sdn. Bhd. ("Nettilling")	Malaysia	37.0[4]	37.0[4]
Held by Nettilling:			
Taman Kenyir Holdings Sdn. Bhd. ("Taman Kenyir")	Malaysia	18.1[4]	18.1[4]

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by Taman Kenyir:			
Strateq Sdn. Bhd.	Malaysia	18.1[4]	18.1[4]
Held by Strateq:			
Strateq Systems Sdn. Bhd. ("Strateq Systems")	Malaysia	18.1[4]	18.1[4]
Strateq (Singapore) Pte Ltd	Singapore	18.1[4]	18.1[4]
Strateq Oil & Gas Sdn Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Health Sdn Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Global Services Sdn. Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Business Solutions Sdn. Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Sentry Sdn. Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Capital Sdn. Bhd. ("Strateq Capital")	Malaysia	18.1[4]	18.1[4]
Held by Strateq Systems:			
Strateq Data Centre Sdn. Bhd.	Malaysia	18.1[4]	18.1[4]
Strateq Systems (Thailand) Co. Ltd	Thailand	18.1[4]	18.1[4]
Held by Strateq Capital:			
Strateq Health B.V. ("Strateq Health")	Netherlands	17.8[4]	17.8[4]
Held by Strateq Health:			
Strateq Health Inc	United States	17.8[4]	17.8[4]
Held by Straits Mobile:			
U Mobile	Malaysia	49.0[5]	49.0[5]

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by U Mobile:			
U Mobile Services Sdn. Bhd.	Malaysia	49.0	49.0
U Mobile Multimedia Sdn. Bhd.	Malaysia	49.0	49.0
Held by STT GDC:			
STT APDC Pte. Ltd. ("STT APDC")	Singapore	100.0	100.0
STT UK DC Pte. Ltd. ("STT UKDC")	Singapore	100.0	100.0
STT India DC Pte. Ltd. ("STT IDC")	Singapore	100.0	100.0
STT Telemedia GDC Thailand Pte. Ltd. ("STT TDC")	Singapore	100.0	100.0
STT Korea DC Pte. Ltd. ("STT KDC")	Singapore	100.0	100.0
STT Indonesia DC Pte. Ltd. ("STT INDC")	Singapore	100.0	100.0
STT Japan DC Pte. Ltd. ("STT JDC")	Singapore	100.0	–
Held by STT APDC:			
STT Singapore DC Pte. Ltd. ("STT SDC")	Singapore	100.0	100.0
Shine Systems Assets Pte. Ltd. ("SSAPL")	Singapore	82.6	82.6
STT Defu 2 Pte. Ltd.	Singapore	100.0	100.0
STT Tai Seng Pte. Ltd.	Singapore	100.0	100.0
STT Defu 3 Pte. Ltd.	Singapore	100.0	100.0
STT West 1 Pte. Ltd.	Singapore	100.0	100.0
STT Loyang Pte. Ltd.	Singapore	100.0	100.0
Held by STT IDC:			
STT India	India	74.0	74.0

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by STT UKDC:			
Virtus	Guernsey/ United Kingdom	100.0	100.0
Held by STT INDC:			
STT GDC Indonesia JVCo Pte. Ltd. ("Indonesia JVCo")	Singapore	60.0	60.0
Held by Indonesia JVCo:			
STT GDC Indonesia SPV Pte. Ltd. ("Indonesia SPV")	Singapore	60.0	60.0
Held by Indonesia JVCo and Indonesia SPV:			
PT STT GDC Indonesia	Indonesia	60.0	60.0
Held by STT KDC:			
Everyshow Inc. ("Everyshow")	Republic of Korea	60.0	60.0

(1) Under striking-off process

(2) Liquidated during the year

(3) The Group controls these companies as 20% of the rights, benefits and interests in Ensign have been assigned to StarHub Ltd by the non-controlling shareholders of Ensign at the date of acquisition.

(4) Although the Group owns less than half of the voting rights, the Group controls these companies as it has the power to appoint the majority of the board of directors and is able to exercise control over their financial and operating policies. See Note 40(ii) for further details.

(5) Although the Group owns less than half of the voting rights of U Mobile, the Group controls U Mobile as it has the power to appoint majority of the board of directors of U Mobile.

8 Interests in associates

Details of associates are as follows:

	Name of associates	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
	Held by Asia Mobile Holdings:			
	Shenington Investments Pte Ltd	Singapore	36.8	36.8
	Held by Shenington Investments Pte Ltd:			
(1)	Mfone Co., Ltd.	Cambodia	36.8	36.8
	Lao Telecommunications Company Limited	Lao People's Democratic Republic	18.0	18.0
	Held by STT GDC:			
	GDS Holdings Limited ("GDS")	Cayman Islands/ People's Republic of China	32.5	32.8
	Held by STT inTech Pte. Ltd.:			
	Armor Defense Inc. ("Armor")	USA	39.0	39.2
	Held by TeleChoice:			
	MVI Systems Limited	Hong Kong	14.9	14.9

(1) The company is currently under voluntary insolvency proceedings.

	2021 S'm	2020 S'm
Fair value of ownership interest *		
GDS	3,841	7,446

* *Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).*

GDS

GDS provides colocation, managed hosting and managed cloud services in China.

During the year, the Group's interest in GDS decreased from 32.8% to 32.5% due to the dilution of interest arising from the exercise of employee share options. The loss arising from the dilution of interest amounted to $15 million and was included in other expenses in the consolidated income statement.

In the prior year, the Group's interest in GDS decreased from 36.1% to 32.8% due to the dilution of interest arising from the following:

(i) In June 2020, STT GDC and another investor agreed to purchase, through a private placement, a total of US$505 million of newly issued Class A ordinary shares at US$65.00 per American Depositary Share ("ADS") listed on Nasdaq. Each ADS represents eight Class A ordinary shares of GDS. STT GDC subscribed for 1,615,385 ADS and the total investment amount was US$105 million (equivalent to $146 million);

(ii) In November 2020, GDS listed its Class A ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") with a public offering of 160,000,000 new Class A ordinary shares. The offer price was set at HK$80.88 per share, which translates to approximately US$83.49 per ADS. The Class A ordinary shares listed on the Hong Kong Stock Exchange are fully fungible with the Class A ordinary shares represented by ADSs listed on Nasdaq. STT GDC subscribed for 40,244,800 Class A ordinary shares and the total investment amount was HK$3,288 million (equivalent to $576 million); and

(iii) Exercise of employee share options.

The net gain arising from the dilution of interest amounted to $268 million and was included in other income in the consolidated income statement.

Armor

Armor provides cyber-security software in the United States.

During the year, based on the business outlook of the associate, the Group carried out an impairment assessment on its carrying amount. The recoverable amount was determined based on its fair value less cost to sell. The fair value measurement was categorised as a Level 3 fair value based on the Enterprise Value to Revenue exit multiples of comparable companies.

Based on the assessment performed, the recoverable amount was determined to be lower than the carrying amount of the associate and an impairment loss of $16 million (2020: nil) was recognised. The impairment loss has been included in the share of results of associates in the income statement.

The following table summarises the financial information of material associates for the financial year as included in their own (consolidated) financial statements prepared in accordance with SFRS(I)s, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these associates.

2021	Armor S'm	GDS S'm
Revenue	66	1,632
Post-tax loss from continuing operations	(68)	(351)
Other comprehensive income	–	218
Total comprehensive income	(68)	(133)
Non-current assets	8	12,249
Current assets	16	3,101
Non-current liabilities	(22)	(7,226)
Current liabilities	(80)	(2,884)
Net assets	(78)[1]	5,240[2]

[1] *Includes balances of $12 million that are not attributable to the Group*
[2] *Includes balances of $346 million that are not attributable to the Group*

2021	GDS S'm	Armor S'm	Immaterial associates S'm	Total S'm
Group's interest in net assets of investees at beginning of the year	1,643	(7)	58	1,694
Group's share of:				
- Post-tax loss from continuing operations	(114)	(27)	(12)	(153)
- Other comprehensive income	71	–	1	72
- Total comprehensive income	(43)	(27)	(11)	(81)
Group's share of capital reserves	(1)	–	–	(1)
Effect of Group's dilution of interest	(13)	–	–	(13)
Group's interest in net assets of investees at end of the year	1,586	(34)	47	1,599
Goodwill at the beginning of the year	228	100	–	328
Effect of Group's dilution of interest	(2)	–	–	(2)
Impairment loss*	–	(16)	–	(16)
Translation adjustment**	11	–	–	11
Goodwill at the end of the year	237	84	–	321
Carrying amount of interest in investees at end of the year	1,823	50	47	1,920

* *Included in share of results of associates*
** *Included in share of other comprehensive income of associates*

2020	**Armor S'm**	**GDS S'm**
Revenue	80	1,152
Post-tax loss from continuing operations	(16)	(174)
Other comprehensive income	–	35
Total comprehensive income	(16)	(139)
Non-current assets	39	7,930
Current assets	32	3,733
Non-current liabilities	(57)	(4,844)
Current liabilities	(21)	(1,555)
Net assets	(7) [1]	5,264 [2]

[1] *Includes balances of $10 million that are not attributable to the Group*
[2] *Includes balances of $249 million that are not attributable to the Group*

2020	**GDS S'm**	**Armor S'm**	**Immaterial associates S'm**	**Total S'm**
Group's interest in net assets of investees at beginning of the year	681	(1)	60	740
Group's share of:				
- Post-tax loss from continuing operations	(61)	(6)	(1)	(68)
- Other comprehensive income	12	–	(1)	11
- Total comprehensive income	(49)	(6)	(2)	(57)
Group's contribution during the year	722	–	–	722
Group's share of capital reserves	(1)	–	–	(1)
Effect of Group's dilution of interest	290	–	–	290
Group's interest in net assets of investees at end of the year	1,643	(7)	58	1,694
Goodwill at the beginning of the year	238	102	–	340
Effect of Group's dilution of interest	(22)	–	–	(22)
Translation adjustment*	12	(2)	–	10
Goodwill at the end of the year	228	100	–	328
Carrying amount of interest in investees at end of the year	1,871	93	58	2,022

* *Included in share of other comprehensive income of associates*

9 Interests in joint ventures

Details of joint ventures are as follows:

	Country of incorporation/ Principal place of business	Effective equity held by the Group 2021 %	2020 %
Held by STTC:			
Grid Communications Pte. Ltd. ("GRID")	Singapore	50.0	50.0
Held by STT TDC:			
STT GDC (Thailand) Company Limited ("STT GDC (Thailand)") [1]	Thailand	49.0	49.0
Held by StarHub Mobile:			
Antina Pte. Ltd. ("Antina")	Singapore	20.9	20.9

[1] Although the Group holds 49% interest in STT GDC (Thailand), decisions about relevant activities that significantly affect the returns that are generated require agreement of all parties to the arrangement. It is therefore determined that the Group participates in joint control.

STT GDC (Thailand)

In accordance with the joint venture agreement, the Group and its joint venture partner have agreed to make additional contributions in proportion to their interests to fund the construction of a data centre in Thailand. The Group's share of the capital commitments of the joint venture as at 31 December 2021 was $20 million (2020: $17 million). These commitments have not been recognised in the Group's consolidated financial statements.

Antina

On 3 September 2020, StarHub Mobile and M1 Limited, jointly incorporated a joint venture company, Antina Pte. Ltd., to develop, deploy and operate a 5G mobile network in Singapore. The Group has funding commitments to the joint venture of approximately $2 million (2020: $9 million) over a period of 4 years (2020: 5 years). These commitments have not been recognised in the Group's consolidated financial statements.

The following table summarises, in aggregate, the carrying amount and share of profit and other comprehensive income of the joint ventures that are accounted for using the equity method.

	STT GDC (Thailand) $'m	GRID $'m	Antina $'m	Total $'m
2021				
Group's interest in net assets of investees at beginning of the year	47	14	2	63
Group's share of post-tax (loss)/profit from continuing operations	(5)	(3)	1	(7)
Group's contribution during the year	–	–	7	7
Translation adjustment*	(4)	–	–	(4)
Carrying amount of interest in investees at end of the year	38	11	10	59
2020				
Group's interest in net assets of investees at beginning of the year	21	14	–	35
Group's share of post-tax loss from continuing operations	(2)	–	–	(2)
Group's contribution during the year	28	–	2	30
Carrying amount of interest in investees at end of the year	47	14	2	63

* *Included in share of other comprehensive income of joint ventures*

10 Other financial assets

	Group 2021 $'m	Group 2020 $'m
Non-current		
Designated at FVOCI:		
- Unquoted	75	71
- Quoted	6	17
Mandatorily at FVTPL:		
- Unquoted	155	100
	236	188

11 Deferred tax assets and liabilities

Movements in deferred tax assets/(liabilities) during the year are as follows:

Group	At 1 January 2020 $'m	Recognised in income statement (Note 35) $'m	Translation adjustments $'m	Acquisition through business combination (Note 40(ii)) $'m	At 31 December 2020 $'m	Recognised in income statement (Note 35) $'m	Translation adjustments $'m	Change in tax rate $'m	At 31 December 2021 $'m
Property, plant and equipment, intangibles, ROU assets, leases	(268)	48	–	(7)	(227)	27	1	(2)	(201)
Provisions and accruals	15	61	2	–	78	(6)	(1)	–	71
Employee benefits	2	–	–	–	2	1	–	–	3
Tax losses and capital allowances carry forward	119	43	–	–	162	18	(3)	4	181
Other items	29	–	1	1	31	2	–	(2)	31
Total	(103)	152	3	(6)	46	42	(3)	–	85

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	Group	
	2021	**2020**
	S'm	**S'm**
Deferred tax assets	199	178
Deferred tax liabilities	(114)	(132)

Deferred tax assets on the following deductible temporary differences have not been recognised:

	Group	
	2021	**2020**
	S'm	**S'm**
Deductible temporary differences	31	56
Unutilised tax losses and tax incentives	448	534
	479	590

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

Unutilised tax losses for which no deferred tax asset has been recognised of $343 million (2020: $457 million) relating to operations in Malaysia can be carried forward up to years ranging from 2028 to 2031 under the current tax legislation of Malaysia subject to no substantial changes to the Malaysia Income Tax Act 1967 and guidelines issued by the Ministry of Finance of Malaysia. Unabsorbed capital allowances do not expire under the current Malaysia tax legislation.

12 Contract balances

The following section provides information about contract assets, contract liabilities and contract costs from contracts with customers.

Contract assets

	Group	
	2021	**2020**
	S'm	**S'm**
Contract assets	441	472
Loss allowance	(6)	(6)
	435	466

	Group	
	2021	**2020**
	S'm	**S'm**
Analysed as:		
Third parties	434	465
Related parties	1	1
	435	466
Non-current	79	91
Current	356	375
	435	466

The contract assets primarily relate to the Group's rights to consideration for goods and services provided and work completed on data centre co-location services, network engineering projects and info-communication technology projects but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

Movements in the contract asset balances during the year are as follows:

	Group	
	2021	**2020**
	S'm	**S'm**
At beginning of year	472	486
Prior year contract assets reclassified to trade receivables	(284)	(347)
Contract assets recognised, net of reclassification to trade receivables	271	312
Additions through business combinations	–	6
Contract asset written off	–	(4)
Others	(18)	19
	441	472
Loss allowance	(6)	(6)
	435	466

The Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, the Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on the Group's view of economic conditions over the remaining lifetime of future performance obligations.

Movements in loss allowance balances during the year are as follows:

	Group	
	2021	**2020**
	S'm	**S'm**
At 1 January	6	8
Loss allowance recognised	12	12
Allowance utilised	(12)	(14)
At 31 December	6	6

Contract liabilities

Contract liabilities primarily relate to amounts billed in advance for telecommunications, broadband and pay TV services, excess of progress payments over the revenue recognised for managed services, advance consideration received from customers for prepaid mobile services, upfront installation fees and maintenance services.

	Group	
	2021	**2020**
	S'm	**S'm**
Managed services contracts	18	20
Amounts billed in advance for telecommunications, broadband and pay TV services	61	54
Amounts received in advance for:		
- Prepaid mobile services	92	92
- Upfront installation fees	74	56
- Maintenance services	4	4
	249	226
Third parties	241	217
Related parties	8	9
	249	226
Non-current	77	60
Current	172	166
	249	226

Movements in the contract liabilities balances during the year are as follows:

	Group	
	2021	**2020**
	S'm	**S'm**
At beginning of year	226	272
Revenue recognised that was included in the contract liability balance at the beginning of the year	(150)	(128)
Increase due to cash received, excluding amounts recognised as revenue during the year	116	30
Increase due to billings in advance, excluding amounts recognised as revenue during the year	60	52
Translation adjustments	(3)	–
	249	226

Contract costs

Costs to obtain contracts relate to commission fees paid to dealers as a result of obtaining mobile, pay TV and broadband service contracts, and success-based sales commissions to employees and external parties for securing long-term sales contracts. Costs to fulfil contracts relate to costs of materials which generate or enhance resources that will be used in satisfying future performance obligations.

These costs are amortised on a straight-line basis over the contract period. In 2021, amortisation amounting to $186 million (2020: $159 million) was recognised in the income statement. There was no loss allowance in relation to the costs capitalised.

	Group	
	2021	2020
	$'m	$'m
Cost to obtain contracts	22	24
Cost to fulfil contracts	22	28
	44	52
Current	30	39
Non-current	14	13
	44	52

13 Inventories

	Group	
	2021	2020
	$'m	$'m
Materials and components	11	14
Inventories held for resale		
- at cost	57	73
- at net realisable value	2	11
	70	98

14 Financial assets at amortised cost

	Note	Group		Company	
		2021	2020	2021	2020
		$'m	$'m	$'m	$'m
Trade receivables	15	443	413	–	–
Other receivables and deposits	16	283	132	–	–
Balances with related parties	17	86	95	452	452
Cash and cash equivalents	18	2,404	1,737	–	–
		3,216	2,377	452	452

15 Trade receivables

	Note	Group 2021 S'm	Group 2020 S'm
Trade receivables		515	491
Loss allowance		(72)	(78)
	14	443	413

The Group's primary exposure to credit risk arises through its trade receivables, which include corporate and retail customers. The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The Group uses an allowance matrix to measure the ECL of trade receivables. In the assessment of ECL, the Group applies the simplified approach and uses the practical expedient to estimate the impairment allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The movements in ECL balances during the year are as follows:

	Group 2021 S'm	Group 2020 S'm
At 1 January	78	85
Loss allowances recognised	9	20
Allowance utilised	(15)	(27)
At 31 December	72	78

16 Other receivables, deposits and prepayments

	Note	Group 2021 S'm	Group 2020 S'm
Grants receivables		7	5
Other receivables		103	70
Loan receivable	(i)	105	–
Deposits		68	57
	14	283	132
Prepayments		123	195
Tax advances		34	22
Others		22	5
Derivative assets	26	24	1
		486	355

	Group	
	2021	**2020**
	S'm	**S'm**
Current	417	252
Non-current	69	103
	486	355

(i) On 21 September 2021, StarHub Online Pte Ltd ("SHOL") entered into a share purchase agreement with MyRepublic Group Limited ("MR GroupCo") and MyRepublic Holdings Ltd ("MR HoldCo") to acquire a majority interest in MR HoldCo's broadband business in Singapore ("the Acquisition"). The Acquisition was completed subsequent to year end (see Note 42).

Concurrent with the entry of the share purchase agreement, SHOL extended a $105 million loan to MR HoldCo for the repayment of MR HoldCo's existing debts. The loan being interest bearing, secured over certain assets of MR GroupCo and repayable within one year is considered to be of low credit risk.

17 Balances with related parties

	Note	Group		Company	
		2021	**2020**	**2021**	**2020**
		S'm	**S'm**	**S'm**	**S'm**
Assets					
Non-current					
Subsidiary					
- Interest-bearing loan	(i)	–	–	451	451
Associate					
- Interest-bearing loans	(ii)	65	67	–	–
		65	67	451	451
Current					
Subsidiary					
- Current account		–	–	1	1
Associates					
- Interest-bearing loan	(ii)	4	9	–	–
- Current account		5	3	–	–
Related corporations					
- Current account		12	16	–	–
		21	28	1	1
	14	86	95	452	452

	Note	Group 2021 S'm	Group 2020 S'm	Company 2021 S'm	Company 2020 S'm
Liabilities					
Current					
Associates					
- Current account		1	1	–	–
Related corporations					
- Current account		20	15	–	–
	23	21	16	–	–

(i) The non-current interest-bearing loan to a subsidiary is unsecured, bear interest at 4.05% and is repayable in December 2025.

(ii) The loans due from associate amounting to $69 million (2020: $76 million) are unsecured and bear interest at LIBOR + 3.00% per annum. An amount of $4 million (2020: $9 million) is classified as current as it is expected to be repaid within the next twelve months. The remaining amount of $65 million (2020: $67 million) is classified as non-current as it is not expected to be repaid within the next twelve months.

All the other balances with related parties are unsecured, interest-free and repayable on demand.

18 Cash and cash equivalents

	Note	Group 2021 S'm	Group 2020 S'm
Fixed deposits with financial institutions		1,545	948
Cash at banks and in hand		859	789
Cash and cash equivalents in the balance sheet	14	2,404	1,737
Cash collateral placed with financial institutions		(23)	(29)
Cash and cash equivalents for purposes of the consolidated cash flow statement		2,381	1,708

As at 31 December 2021, the Group has cash and bank balances totalling the equivalent of $65 million (2020: $53 million) which are held in countries with foreign exchange controls.

Cash and cash equivalents totalling $868 million (2020: $442 million) are held in the Group's various publicly-listed subsidiaries which operate under stock exchange regulations which impose restrictions and conditions on related party transactions, including the transfers of cash and the granting of loans to other subsidiaries in the Group.

Cash collateral placed with financial institutions totalling $23 million (2020: $29 million) are pledged as securities for bank guarantee facilities granted to a subsidiary, and therefore restricted from use in other operations.

19 Share capital – Group and Company

	2021		2020	
	No. of shares '000	$'m	No. of shares '000	$'m
Issued and fully paid at 1 January and 31 December:				
Ordinary shares	1,467,210	1,805	1,467,210	1,805
Series A redeemable convertible preference shares ("RCPS")	287	287	287	287
Series B RCPS	1	80	1	80
Series C RCPS	715,000	715	362,000	362
		2,887		2,534

The holders of ordinary shares are entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Series A RCPS are redeemable at the option of the Company by way of cash or by way of issuance of ordinary shares or a combination of cash and ordinary shares. The Series B RCPS are redeemable at the option of the Company by way of cash. Dividends are non-cumulative and determined at rates to be fixed by the Company from time to time at its absolute discretion. Series A and Series B RCPS do not carry voting rights. The holders of the RCPS are to receive preferential return of accrued dividends and redemption amount equal to the issue price of the RCPS at the Company's discretion.

In the prior year, the Company entered into a subscription agreement with Evcritt Investments Pte. Ltd. ("Everitt"), a wholly-owned subsidiary of Temasek, for the subscription by Everitt of up to 750 million Series C RCPS at an issue price of $1 per RCPS. Dividends are cumulative at a rate of 4% per annum, payable annually, subject to the Company's discretion. The Series C RCPS are redeemable at the option of the Company by way of cash at a redemption amount equal to the issue price plus any outstanding accrued cumulative dividends and applicable redemption dividend subject to the Company's discretion.

As at year end, the Company has issued 715 million (2020: 362 million) Series C RCPS for an aggregate amount of $715 million (2020: $362 million).

20 Reserves

	Group		Company	
	2021 $'m	2020 $'m	2021 $'m	2020 $'m
Capital reserve	(8)	(6)	–	–
Currency translation reserve	(126)	(198)	–	–
Fair value reserve	(109)	(105)	–	–
Hedging reserve	(14)	(34)	–	–
Goodwill written off	(488)	(488)	–	–
Accumulated profits	1,498	1,636	16	19
	753	805	16	19

The capital reserve of the Group arises from bonus issues of shares by a subsidiary, gain arising on other capital transactions with shareholders, the recognition of the present value of a forward contract issued to a non-controlling shareholder of a subsidiary and the Group's share of an associate's capital reserves.

The currency translation reserve of the Group comprises:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;

(b) foreign exchange differences arising from the translation of monetary items forming part of the Group's net investment in foreign operations; and

(c) the Group's share of foreign exchange differences arising from the translation of the financial statements of associates and joint ventures whose functional currencies are different from the functional currency of the Company.

The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at FVOCI until the investment is derecognised.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected the income statement.

Goodwill written off comprises goodwill arising prior to 1 January 2001 on the consolidation of subsidiaries.

Dividends

The following tax-exempt (one-tier) dividends were declared and paid by the Group:

	2021 S'm	2020 S'm
Group		
Paid by subsidiaries to non-controlling interests		
Final dividend of $0.025 (2020: $0.0225) per share paid in respect of the previous financial year	19	17
Interim dividend of $0.025 (2020: $0.025) per share paid in respect of year ended 31 December	19	19
Final dividend of $0.005 (2020: $0.01) per share paid in respect of year ended 31 December	1	3
	39	39

The following tax-exempt (one-tier) dividends were declared and paid by the Company:

	2021 S'm	2020 S'm
Company		
Paid by the Company to owner of the Company		
Interim dividend of $0.0173 (2020: nil) per qualifying Series C RCPS in respect of year ended 31 December 2020	6	–

21 Perpetual securities

The Company's perpetual securities are presented within equity, with discretionary distributions recognised as equity distributions. As at 31 December 2021, the aggregate principal amounts of the perpetual securities amounted to $1,225 million (2020: $725 million) comprising:

(a) $350 million principal amount (5.00% perpetual securities)

In January 2019, the Company issued subordinated perpetual securities with an aggregate principal amount of $350 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from January 2024. Distributions are cumulative at a rate of 5.00% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions. During the year, distributions amounting to $17 million (2020: $17 million) were paid.

(b) $375 million principal amount (4.10% perpetual securities)

In July 2020, the Company issued subordinated perpetual securities with an aggregate principal amount of $375 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from July 2027. Distributions are cumulative at a rate of 4.10% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions. During the year, distributions amounting to $15 million (2020: nil) were paid.

(c) $500 million principal amount (4.20% perpetual securities)

In November 2021, the Company issued subordinated perpetual securities with an aggregate principal amount of $500 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from May 2029. Distributions are cumulative at a rate of 4.20% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions.

22 Non-controlling interests

The following subsidiaries have material non-controlling interests ("NCI").

Name	Principal place of business	Ownership interests held by NCI 2021 %	2020 %
Asia Mobile Holdings and its subsidiaries ("AMH Group")	Singapore	25.0	25.0
TeleChoice and its subsidiaries ("TeleChoice Group")	Singapore	49.5	49.6
U Mobile and its subsidiaries ("U Mobile Group")	Malaysia	51.0	51.0
2nd Watch and its subsidiaries ("2nd Watch Group")	USA	42.6	40.5
STT India	India	26.0	26.0

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

	AMH Group S'm	TeleChoice Group S'm	U Mobile Group S'm	2nd Watch S'm	STT India S'm
2021					
Revenue	2,042	194	1,046	71	250
Profit/(loss) for the year	96	(3)	2	(8)	17
Other comprehensive income	16	–	11	5	(2)
Total comprehensive income	112	(3)	13	(3)	15
Attributable to NCI:					
- Profit/(loss) for the year	74	(1)	1	(4)	4
- Other comprehensive income	2	–	6	2	–
- **Total comprehensive income**	76	(1)	7	(2)	4
Non-current assets	3,125	18	1,816	54	836
Current assets	1,717	98	209	60	117
Non-current liabilities	(2,267)	(4)	(1,668)	(4)	(563)
Current liabilities	(1,113)	(55)	(755)	(32)	(148)
Net assets/(liabilities)	1,462	57	(398)	78	242
Net assets/(liabilities) attributable to NCI	999	29	(202)	33	63
Cash flows from operating activities	641	28	269	(7)	100
Cash flows from investing activities	(276)	(1)	(134)	(18)	(180)
Cash flows from financing activities (dividends to NCI: $39m)	72	(19)	(260)	30	90
Net increase/(decrease) in cash and cash equivalents	437	8	(125)	5	10

2020	**AMH Group $'m**	**TeleChoice Group $'m**	**U Mobile Group $'m**	**2nd Watch $'m**	**STT India $'m**
Revenue	2,029	213	1,045	58	209
Profit/(loss) for the year	120	(6)	5	(14)	(23)
Other comprehensive income	(36)	–	(4)	(4)	(8)
Total comprehensive income	84	(6)	1	(18)	(31)
Attributable to NCI:					
- Profit/(loss) for the year	84	(3)	2	(6)	(6)
- Other comprehensive income	(15)	–	(2)	(1)	(2)
- **Total comprehensive income**	69	(3)	–	(7)	(8)
Non-current assets	3,271	18	1,841	38	705
Current assets	1,258	99	331	47	77
Non-current liabilities	(2,361)	(4)	(1,689)	(1)	(491)
Current liabilities	(793)	(51)	(890)	(30)	(142)
Net assets/(liabilities)	1,375	62	(407)	54	149
Net assets/(liabilities) attributable to NCI	940	30	(209)	22	39
Cash flows from operating activities	563	24	270	(10)	96
Cash flows from investing activities	(255)	(1)	(123)	–	(132)
Cash flows from financing activities (dividends to NCI: $39m)	(125)	(19)	(58)	8	54
Net increase/(decrease) in cash and cash equivalents	183	4	89	(2)	18

23 Financial liabilities at amortised cost

	Note	**Group 2021 $'m**	**Group 2020 $'m**	**Company 2021 $'m**	**Company 2020 $'m**
Trade payables		336	228	–	–
Balances with related parties	17	21	16	–	–
Bank and other borrowings	24	6,789	6,137	451	451
Other non-current liabilities	27	189	391	–	–
Other payables, accruals and provisions	28	1,312	1,241	1	1
		8,647	8,013	452	452

24 Bank and other borrowings

	Note	Group 2021 S'm	Group 2020 S'm	Company 2021 S'm	Company 2020 S'm
Bank loans		3,666	3,212	–	–
Medium term notes		1,794	1,593	451	451
Lease liabilities		1,306	1,309	–	–
Others		23	23	–	–
	23	6,789	6,137	451	451
Current:					
Secured borrowings		70	201	–	–
Unsecured borrowings		223	15	–	–
Lease liabilities		166	183	–	–
		459	399	–	–
Non-current:					
Secured borrowings		2,186	1,570	–	–
Unsecured borrowings		3,004	3,042	451	451
Lease liabilities		1,140	1,126	–	–
		6,330	5,738	451	451
		6,789	6,137	451	451

Bank loans

The secured bank loans are secured over certain property, plant and equipment with carrying amount of $2,855 million (2020: $2,126 million), cash and cash equivalents of $157 million (2020: $121 million), trade and other receivables of $324 million (2020: $236 million), right-of-use assets with carrying amounts of $676 million (2020: $573 million) and the shares of certain subsidiaries.

Medium term notes

Issued by the Company

In December 2015, the Company issued a $300 million 10-year medium term notes which bears an interest rate of 4.05% per annum and is repayable in December 2025. In January 2016, the Company issued an additional $150 million medium term note with the same interest rate and repayment date.

Issued by StarHub

StarHub has established a multicurrency medium term note programme with a maximum aggregate principal amount of $1,000 million in September 2011. In September 2012, StarHub issued $220 million 10-year medium term notes which bear interest rate of 3.08% per annum and is repayable in September 2022.

In June 2016, StarHub issued additional $300 million 10-year medium term notes which bear interest of 3.55% per annum and is repayable in June 2026.

On 29 May 2017, StarHub updated and amended its $1,000 million multicurrency medium term note programme to a $2,000 million multicurrency debt issuance programme with the inclusion of the mechanism for the issuance of, and the terms and conditions of, perpetual securities. The amendments do not affect the validity of the existing term notes issued by StarHub under the original programme.

In January 2021, StarHub issued a $200 million 10-year medium term note which bears interest of 2.48% per annum and is repayable in January 2031.

Issued by STT GDC

STT GDC established a multicurrency debt issuance programme with a maximum aggregate principal amount of $1,500 million in September 2019.

In September 2019, STT GDC issued $225 million 5-year medium term notes which bear interest at a rate of 3.59% per annum and are repayable in September 2024.

In July 2020, STT GDC issued $400 million 8-year medium term notes which bear interest at a rate of 3.13% per annum and are repayable in July 2028.

Lease liabilities - Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group				
	Spectrum licence liability S'm	**Loans and borrowings S'm**	**Accrued interest payable S'm**	**Lease liabilities S'm**	**Total S'm**
At 1 January 2020	130	4,096	13	1,222	5,461
Acquisition through business combinations	–	16	–	22	38
Changes from financing cash flows					
Proceeds from borrowings	–	1,553	–	–	1,553
Repayment of borrowings	–	(846)	–	–	(846)
Lease liabilities paid	–	–	–	(163)	(163)
Spectrum liability paid	(6)	–	–	–	(6)
Interest paid	–	(97)	(123)	(103)	(323)
Total changes from financing cash flows	(6)	610	(123)	(266)	215
Effect of changes in foreign exchange rates	1	4	(1)	–	4
New leases	–	–	–	228	228
Other liability-related changes					
Capitalised borrowing costs	–	–	11	9	20
Finance costs	–	102	114	94	310
Total liability-related other changes	–	102	125	103	330
At 31 December 2020	125	4,828	14	1,309	6,276

	Group				
	Spectrum licence liability $'m	**Loans and borrowings $'m**	**Accrued interest payable $'m**	**Lease liabilities $'m**	**Total $'m**
At 1 January 2021	125	4,828	14	1,309	6,276
Changes from financing cash flows					
Proceeds from borrowings	–	1,072	–	–	1,072
Repayment of borrowings	–	(399)	–	–	(399)
Lease liabilities paid	–	–	–	(228)	(228)
Spectrum liability paid	(96)	–	–	–	(96)
Interest paid	–	(64)	(156)	(83)	(303)
Total changes from financing cash flows	(96)	609	(156)	(311)	46
Effect of changes in foreign exchange rates	(2)	(3)	–	(11)	(16)
New leases	–	–	–	236	236
Other liability-related changes					
Capitalised borrowing costs	–	–	8	5	13
Finance costs	11	66	154	78	309
Others	(38)	(17)	–	–	(55)
Total liability-related other changes	(27)	49	162	83	267
At 31 December 2021	–	5,483	20	1,306	6,809

25 Deferred grants

	Group	
	2021 $'m	**2020 $'m**
At 1 January	6	–
Income grant accreted to income statement	(6)	(43)
Grants received	–	49
At 31 December	–	6

Deferred grants are government grants received. Assets-related grants are recognised over the estimated useful lives of the related assets. Income related grants include Jobs Support Scheme grants received and are recognised on a systematic basis over the periods to match the related cost.

26 Derivatives

		Group	
	Note	**2021 $'m**	**2020 $'m**
Derivative assets			
Non-current			
- Interest rate swaps	16	24	1

	Note	Group 2021 S'm	Group 2020 S'm
Derivative liabilities			
Non-current			
- Interest rate swaps	27	21	50
Current			
- Interest rate swaps		2	3
- Forward exchange contracts		–	8
	28	2	11

27 Other non-current liabilities

	Note	Group 2021 S'm	Group 2020 S'm
Spectrum licence liability		–	118
Deferred payment creditor		138	241
Others		51	32
	23	189	391
Derivative liabilities	26	21	50
Contingent consideration	(i)	16	43
Forward liability to acquire NCI		37	35
Provision for restoration cost	(ii)	103	113
Other deferred income		4	2
Cash-settled share-based payments		17	22
Other long-term employee benefits		66	89
		453	745

(i) Contingent consideration relates to:

a. Additional consideration of RM25 million which the Group, through Straits Mobile, has agreed to pay the selling shareholder, U Telemedia Sdn Bhd, upon the achievement of certain performance targets by its subsidiary, U Mobile. At 31 December 2021, the fair value of the contingent consideration amounted to $8 million (2020: $8 million), based on a discount rate of 6.00% (2020: 5.51%).

b. Earn-out consideration of up to a maximum amount of $27 million which StarHub has agreed to pay to the founding shareholders of D'Crypt Pte. Ltd. At 31 December 2021, the fair value of the contingent consideration amounted to $18 million (2020: $17 million).

c. $21 million (2020: $18 million) being the fair value of the contingent consideration related to StarHub's acquisition of Strateq (Note 40(ii)). The contingent consideration to be paid is derived based on a formula that is dependent on the aggregate revenue earned by Strateq from certain contracts in 2021.

	Note	Group 2021 $'m	Group 2020 $'m
Current	28	31	–
Non-current		16	43
		47	43

(ii) The provision for restoration cost was recognised for site decommissioning and restoration to its original condition upon termination of the Group's leases. The estimates are reassessed on a yearly basis.

The change in provision for restoration cost during the year is as follows:

	Group 2021 $'m	Group 2020 $'m
At 1 January	113	82
Capitalised as right-of-use assets	2	28
Provision reversed	(16)	–
Translation adjustment	2	2
Unwinding of discount	2	1
At 31 December	103	113

28 Other payables, accruals and provisions

	Note	Group 2021 $'m	Group 2020 $'m	Company 2021 $'m	Company 2020 $'m
Accruals and other payables		910	857	1	1
Spectrum licence liability		–	7	–	–
Property, plant and equipment vendors		402	377	–	–
	23	1,312	1,241	1	1
Deferred grants	25	–	6	–	–
Contingent consideration	27(i)	31	–	–	–
Derivative liabilities	26	2	11	–	–
Provisions	(i)	5	26	–	–
Unearned revenue		3	2	–	–
Other long-term employee benefits		29	106	–	–
Cash-settled share-based payments		71	43	–	–
		1,453	1,435	1	1

(i) The provisions comprise provision for licence fee payable and potential customer claim.

The provision for licence fee payable is in relation to a subsidiary's internet service provider licence which was surrendered to the local regulator prior to 2020. In the prior year, the Group recognised a provision for additional amounts that may be paid based on the Group's evaluation of recent court developments and other judicial interpretations on the revenue that is subject to licence fee. During the year, the Group made payment for the license fees based on the provisional assessment raised by the regulator and reversed the remaining unutilised provision.

Estimates of the Group's obligations arising from regulations or contracts that exist as at the reporting date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the management's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

29 Revenue

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that have not been fulfilled at the reporting date:

	Within 1 year S'm	2 to 5 years S'm	After 5 years S'm	Total S'm
2021				
Mobile	263	61	–	324
Pay TV	43	13	–	56
Broadband	87	26	–	113
Enterprise fixed revenue	351	259	–	610
Data centre co-location services	580	1,791	2,178	4,549
Maintenance and installation services	2	2	–	4
	1,326	2,152	2,178	5,656
2020				
Mobile	184	74	–	258
Pay TV	59	15	–	74
Broadband	84	30	–	114
Enterprise fixed revenue	419	240	–	659
Data centre co-location services	515	1,718	1,898	4,131
Maintenance and installation services	2	2	–	4
	1,263	2,079	1,898	5,240

Variable consideration that is constrained and therefore not included in the transaction price, is excluded in the amount presented above.

The Group applies the practical expedient prescribed in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

In addition, amounts that are not contractually committed are excluded.

30 Profit from operations

The following items have been included in arriving at profit from operations:

	Group	
	2021	**2020**
	$'m	**$'m**
Contributions to defined contribution plans	(45)	(45)
Cash-settled share-based payment transactions	(29)	(60)
Equity-settled share-based payment transactions	(28)	(3)

31 Key management personnel compensation

The details of key management personnel compensation are as follows:

	Group	
	2021	**2020**
	$'m	**$'m**
Post-employment benefits	–	1
Short-term employee benefits	36	41
Share-based payments	14	38
Other long-term employee benefits	6	19
	56	99

32 Finance costs

	Group		Company	
	2021	2020	2021	2020
	$'m	$'m	$'m	$'m
Interest expense:				
- bank loans	103	101	–	–
- medium term notes	61	49	18	18
- interest rate swaps	18	18	–	–
- lease liabilities	78	94	–	–
- others	49	41	–	–
Net change in fair value of derivatives mandatorily measured at FVTPL	–	7	–	–
	309	310	18	18

33 Finance income

	Group		Company	
	2021	2020	2021	2020
	$'m	$'m	$'m	$'m
Interest income:				
- associates	2	3	–	–
- subsidiary	–	–	18	18
- bank deposits	9	16	–	–
- financial assets	–	2	–	–
- gain on debt modification	13	–	–	–
- others	3	–	–	–
Net change in fair value of derivatives mandatorily measured at FVTPL	27	–	–	–
Gain on settlement of spectrum licence liability	38	–	–	–
	92	21	18	18

34 Other income and other expenses

	Note	Group	
		2021	2020
		$'m	$'m
Other income			
Exchange gain, net		4	–
Fair value gain on FVTPL financial assets		34	2
Gain on dilution of interest in associate	8	–	268
Provisions reversed	28(i)	20	–
Miscellaneous income		1	4
		59	274

	Note	Group 2021 $'m	Group 2020 $'m
Other expenses			
Impairment loss on goodwill		–	(5)
Loss on dilution of interest in associate	8	(15)	–
Provisions made	28(i)	–	(26)
		(15)	(31)

35 Tax expense/(income)

	Note	Group 2021 $'m	Group 2020 $'m	Company 2021 $'m	Company 2020 $'m
Current tax					
Current year		58	50	–	–
Over provision in prior years		–	(2)	–	–
		58	48	–	–
Deferred tax					
Current year		(24)	(32)	–	–
Under provision in prior years		1	–	–	–
Recognition of previously unrecognised deferred tax asset		(19)	(120)	–	–
	11	(42)	(152)	–	–
		16	(104)	–	–

Reconciliation of effective tax rate

	Group 2021 $'m	Group 2020 $'m	Company 2021 $'m	Company 2020 $'m
(Loss)/profit before taxation	(11)	47	39	17
Share of results of associates and joint ventures, net of tax	176	70	–	–
	165	117	39	17
Income tax using Singapore tax rate of 17% (2020: 17%)	28	20	7	3
Effect of different tax rates in other countries	2	(13)	–	–
Income not subject to tax	(23)	(50)	(7)	(3)
Non-deductible expenses	27	46	–	–
Tax losses and other deductible temporary differences not recognised	10	7	–	–
Recognition of tax effect of previously unrecognised deferred tax assets	(19)	(120)	–	–
Under/(over) provision in prior years, net	1	(2)	–	–
Others	(10)	8	–	–
	16	(104)	–	–

At each reporting date, the Group makes certain estimates and assumptions to compute the provision for income taxes including allocations of certain transactions to different tax jurisdictions, amounts of permanent and temporary differences, the likelihood of deferred tax assets being recovered and the outcome of contingent tax risks. These estimates and assumptions are revised as new events occur, more experience is acquired and additional information is obtained. The impact of these revisions is recorded in income tax expense in the period in which they become known.

Tax recognised in other comprehensive income

	2021 Before tax S'm	2021 Tax expense S'm	2021 Net of tax S'm	2020 Before tax S'm	2020 Tax expense S'm	2020 Net of tax S'm
Group						
Translation differences relating to:						
- financial statements of foreign operations	13	–	13	(20)	–	(20)
- monetary items forming part of net investments in foreign operations	(13)	–	(13)	4	–	4
Effective portion of changes in fair value of cash flow hedges	27	–	27	(17)	–	(17)
Net change in fair value of financial assets at FVOCI	(10)	–	(10)	(79)	–	(79)
Share of defined benefit plan remeasurements of associate	1	–	1	1	–	1
Share of other comprehensive income of associates and joint ventures	78	–	78	20	–	20
Realisation of reserve upon liquidation of foreign operation	(1)	–	(1)	–	–	–
	95	–	95	(91)	–	(91)

36 Employee benefits

STTC

STTC's Executive Resource, Compensation and Nominating Committee ("STTC ERCNC") approved the following long-term incentive plans:

(a) Other long-term employee benefits

(i) Value-Sharing Incentive Plan ("VSIP")

A VSIP incentive pool is created based principally on a modified Wealth Added ("WA") concept and framework. WA is a risk adjusted performance measure that establishes whether shareholders earned a return that exceeds a cost of equity on the value of shareholders' funds.

The VSIP incentive pool is allocated individually or on a group basis depending on the corporate grades of the employees. Each year, a portion of the allocated VSIP incentive, together with a portion of cumulative unpaid VSIP incentive carried forward from the previous year, will be paid out in cash, if the aggregate balance is positive. The remaining balance of the unpaid allocated incentives will be carried forward to be aggregated with future VSIP allocations. The annual payout portion is 33%, or such other percentages as approved by STTC ERCNC.

(ii) Restricted Share Units Plan ("RSUP")

RSUP units are granted annually, and vest over 3 years. At the first anniversary of the grant, a "final value" will determined for each unit of the respective grant based on $1.00 adjusted by an achievement factor of between 0 to 1.5 times. The achievement factor is based on the actual operating performance of STTC's significant investments against budget. The final value will be payable in cash to the employee equally over 3 years.

(b) Cash-settled share-based payments

(i) Performance Share Units Plan ("PSUP")

A base number of PSUP units is granted to key management employees each year. Each annual grant will be subjected to performance conditions to be met over 3 years.

The release of the actual number of PSUP units under each grant will be determined based on the extent to which performance conditions are met. This number can vary between 0% to 200% of each base grant and will be paid in cash based on the initial unit value multiplied by the total compounded shareholders' return of STTC's portfolio of significant investments at the end of year 3.

The fair value of services received in return for PSUP units granted are measured by reference to the fair value of PSUP units granted. The estimate of the fair value of the services received is measured based on a predictive performance model.

(ii) Share Appreciation Units Plan ("SAUP")

SAUP units are granted annually. Each grant vests over 4 years and is exercisable up to 7 years from the start date of each grant during two exercise window periods provided each year.

The initial price for each grant is set at $1.00 per SAUP unit. At each exercise window period, a "final value" will be determined for each unit of the respective grant based on $1.00 adjusted by the compounded portfolio shareholders' return percentage relative to the initial unit price at the start date of each grant. For any vested SAUP unit exercised, the difference between the determined "final value" for each grant and the initial $1.00 value of each SAUP unit will be payable in cash to the employee.

The fair value of services received in return for SAUPs granted are measured by reference to the fair value of SAUPs granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The key assumptions applied in the estimate of fair values are as follows:

Year of grant	2016
Fair value at 31 December 2021	$2.16
Portfolio expected volatility	45.20%
Expected remaining life	1
Risk-free interest rate	0.58%

Year of grant	2015	2016
Fair value at 31 December 2020	$2.42	$2.35
Portfolio expected volatility	12.67%	12.67%
Expected remaining life	1	2
Risk-free interest rate	0.30%	0.30%

(iii) Restricted Share Units Plan for non-executive directors ("RSUP-NED")

The RSUP-NED units are granted to non-executive directors ("NEDs") each year as part of their director's fees. Each grant is subject to the retention condition of the grant, and is exercisable during the annual two-week exercise period. The retention condition requires 50% of the vested units of each grant to be retained by the NED up to the earlier of 4 years from the start date of each grant or one year after he ceases to be a non-executive director.

The initial price for each grant is set at $1.00 per RSUP-NED unit. During each exercise period, a "final value" will be determined for each unit of the respective grant based on $1.00 adjusted by the compounded portfolio shareholders' return relative to the initial unit price at the start date of each grant up to the valuation date. For any vested RSUP-NED unit exercised, its "final value" will be payable in cash to the non-executive director.

StarHub Ltd

(a) StarHub Performance Share Plans

(i) StarHub PSP 2014

Under the StarHub PSP 2014, conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives. Awards are released once StarHub ERCC is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

The movements of the number of shares under the StarHub PSP 2014, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants are as follows:

	Balance outstanding at 1.1.2021 '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31.12.2021 '000
2021					
Date of grant					
28.03.2018	395	–	(109)	(286)	–
01.10.2019	1,206	–	–	–	1,206
28.12.2020	564	–	–	(42)	522
16.08.2021	–	1,726	–	–	1,726
Total	2,165	1,726	(109)	(328)	3,454

	Balance outstanding at 1.1.2020 '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31.12.2020 '000
2020					
Date of graut					
06.04.2017	689	–	(107)	(582)	–
28.03.2018	395	–	–	–	395
01.10.2019	2,030	–	–	(824)	1,206
28.12.2020	–	564	–	–	564
Total	3,114	564	(107)	(1,406)	2,165

The fair value of the shares is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grant in 2021 and 2020 are as follows:

	Year of grant 2021	2020
Fair value	$0.98	$0.88
Share price	$1.25	$1.30
Expected volatility of StarHub's shares	20.12%	25.81%
Expected dividend yield	5.54%	5.29%
Risk-free interest rates	0.44%	0.32%

(ii) StarHub RSP 2014

Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related after a further period of service beyond the performance targets completion date (performance-based restricted awards).

During the year, conditional grants of 3,554,200 (2020: 3,335,450) shares under the StarHub RSP 2014 were made to non-executive directors and key employees of StarHub. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

The movements of the number of shares under the StarHub Restricted Stock Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants are as follows:

	Balance outstanding at 1.1.2021 '000	**Number of restricted shares granted '000**	**Number of restricted shares vested '000**	**Number of restricted shares forfeited '000**	**Balance outstanding at 31.12.2021 '000**
2021					
Date of grant					
28.03.2018	332	–	(325)	(7)	–
03.07.2019	1,018	–	(502)	(43)	473
01.10.2019	377	–	(178)	(31)	168
26.03.2020	2,646	–	(834)	(325)	1,487
31.03.2021	–	3,554	–	(302)	3,252
Total	4,373	3,554	(1,839)	(708)	5,380

	Balance outstanding at 1.1.2020 '000	**Number of restricted shares granted '000**	**Number of restricted shares vested '000**	**Number of restricted shares forfeited '000**	**Balance outstanding at 31.12.2020 '000**
2020					
Date of grant					
06.04.2017	435	–	(420)	(15)	–
28.03.2018	812	–	(382)	(98)	332
03.07.2019	2,271	–	(711)	(542)	1,018
01.10.2019	607	–	(190)	(40)	377
26.03.2020	–	3,335	–	(689)	2,646
Total	4,125	3,335	(1,703)	(1,384)	4,373

The fair value of the share awards is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grant in 2021 and 2020 are as follows:

	Year of grant	
	2021	**2020**
Fair value	\$1.11 - \$1.22	\$0.88 - \$1.19
Share price	\$1.28	\$1.32
Expected volatility of StarHub's shares	24.51%	24.12%
Expected dividend yield	5.27%	6.42%
Risk-free interest rates	0.45% - 0.66%	0.82% - 0.98%

TeleChoice International Limited ("TeleChoice")

TeleChoice Restricted Share Plan and Performance Share Plan

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "TeleChoice Plans"), were approved and adopted by TeleChoice's members at an Extraordinary General Meeting of TeleChoice held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Information regarding the TeleChoice Plans is set out below:

(i) The TeleChoice Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for TeleChoice.

(ii) The TeleChoice Plans are administered by TeleChoice's Remuneration Committee comprising three directors, namely Ronald Seah Lim Siang, Yeo Siew Chye Stephen and Stephen Geoffrey Miller (the "TeleChoice RC").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the TeleChoice Plans at the absolute discretion of the TeleChoice RC:

a) employees and non-executive directors of TeleChoice and/or any of its subsidiaries;

b) employees and non-executive directors of STTC and its subsidiaries, who may be seconded to render services and contribute to the success of TeleChoice Group; and

c) employees of associated companies of TeleChoice.

(iv) Controlling shareholders and associates of controlling shareholders of TeleChoice will not be eligible to participate in the TeleChoice Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the TeleChoice RC is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

(vi) The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vii) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the TeleChoice RC is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the TeleChoice RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(viii) The vesting period of the shares granted under the TeleChoice Plans is between one to three years.

(ix) As at 31 December 2021, the initial awards of 15,328,390 (2020: 14,510,890) shares under the TeleChoice PSP and the initial awards of 36,410,420 (2020: 34,537,920) shares under the TeleChoice RSP were made to Eligible Persons. As at 31 December 2021, awards of 3,709,200 (2020: 4,160,000) shares under the TeleChoice PSP and 8,915,950 (2020: 6,591,270) shares under the TeleChoice RSP were outstanding.

The key assumptions applied in estimating the fair values under the TeleChoice PSP are as follows:

Date of grant of shares	1 June 2021	3 June 2020	3 June 2019	1 June 2018
Fair value at grant date	$0.121	$0.133	$0.138	$0.160
Assumptions under Monte-Carlo Model Expected Volatility				
TeleChoice International Limited	16.77%	15.10%	10.44%	13.75%
Straits Times Index	N/A	N/A	N/A	N/A
Risk-free interest rates	0.49%	0.43%	1.89%	2.05%

The key assumptions applied in estimating the fair values under TeleChoice RSP are as follows:

Date of grant of shares	1 June 2021	3 June 2020	3 June 2019	1 June 2018
Fair value at grant date:				
For RSP vested 12 months from grant date	$0.167	$0.188	$0.212	N/A
For RSP vested 24 months from grant date	$0.162	$0.180	$0.203	$0.240
For RSP vested 36 months from grant date	$0.158	$0.171	$0.194	$0.225
For RSP vested 48 months from grant date	N/A	N/A	N/A	$0.211
Assumptions under Monte-Carlo Model Expected Volatility				
TeleChoice International Limited	16.77%	15.10%	10.44%	13.75%
Risk-free interest rates				
Singapore 1-year Government Bond yield	0.30%	0.29%	1.84%	1.71%
Singapore 2-year Government Bond yield	0.36%	0.35%	1.87%	1.93%
Singapore 3-year Government Bond yield	0.49%	0.43%	1.89%	2.05%
Singapore 4-year Government Bond yield	N/A	N/A	N/A	N/A

The fair value of the shares is estimated using the Monte-Carlo simulation methodology at the measurement dates, which are grant dates of these share awards. The accrual for the share expenses under the Plans has been estimated on the basis that TeleChoice Group will be on target in respect of the performance conditions.

STT GDC

(a) STT GDC other long-term employee benefits

(i) Value-Sharing Incentive Plan ("VSIP")

STT GDC's Remuneration Committee ("STT GDC RC") approved the VSIP with effective commencement date of 1 January 2016. Approval of the incentive plan has been transferred to STTC ERCNC, with effect from 1 September 2020.

A VSIP incentive pool is created based principally on a modified Wealth Added ("WA") concept and framework. WA is a risk adjusted performance measure that establishes whether shareholders earned a return that exceeds the current year cost of equity on the market value of listed investments and the original investment value of unlisted investments accumulated with the historical cost of equity from the date of investment to the beginning of the current year.

The VSIP incentive pool is allocated individually to participants of the scheme. Each year, a portion of the allocated VSIP incentive, together with a portion of cumulative unpaid VSIP incentive carried forward from the previous year, will be paid out in cash, if the aggregate balance is positive. The remaining balance of the unpaid allocated incentives will be carried forward to be aggregated with future VSIP allocations. The steady state payout portions will be 33% each year, or such other percentages as approved by the STTC ERCNC.

(b) Cash-settled share-based payments

STT GDC Long Term Incentive Plans

The STT GDC RC approved the following long-term incentive plans with effective commencement date of 1 January 2016. Approval of the incentive plan has been transferred to STTC ERCNC with effect from 1 September 2020.

(i) Investee Performance Units Plan ("IPUP")

A base number of IPUP units is granted to key management employees each year. Each annual grant will be subjected to performance conditions to be met over 3-5 years.

The release of the actual number of IPUP units under each grant will be determined based on the extent to which performance conditions are met. This number can vary between 0% to 150% of each base grant and will be paid in cash based on the initial unit value multiplied by the total compounded shareholders' return of STT GDC's portfolio of significant investments at the end of the performance period which can range from 3-5 years.

The fair value of services received in return for IPUP units granted are measured by reference to the fair value of IPUP units granted. The estimate of the fair value of the services received is measured based on a Monte Carlo simulation methodology model.

The key assumptions applied in the estimate of fair values are as follows:

Year of grant	**2021**	**2020**	**2019**
Fair value at 31 December 2021	$0.31	$0.68	$1.57
Portfolio cost of equity	7.51%	7.51%	7.51%
Portfolio expected volatility	23.27%	23.27%	23.27%
Risk-free interest rate	1.05%	0.89%	0.57%

Year of grant	**2020**	**2019**	**2018**
Fair value at 31 December 2020	$1.29	$3.23	$4.00
Portfolio cost of equity	8.69%	8.69%	8.69%
Portfolio expected volatility	25.92%	25.92%	25.92%
Risk-free interest rate	0.37%	0.33%	0.30%

(ii) Investee Appreciation Units Plan ("IAUP")

IAUP units are granted annually. Each grant vests over 4 years and is exercisable up to 7 years from the start date of each grant during two exercise window periods provided each year.

The initial price for each grant is set at $1.00 per IAUP unit. At each exercise window period, a "final value" will be determined for each unit of the respective grant based on $1.00 adjusted by the compounded portfolio shareholders' return percentage relative to the initial unit price at the start date of each grant. For any vested IAUP unit exercised, the difference between the determined "final value" for each grant and the initial $1.00 value of each IAUP unit will be payable in cash to the employee.

The fair value of services received in return for IAUPs granted are measured by reference to the fair value of IAUPs granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The key assumptions applied in the estimate of fair values are as follows:

Year of grant	**2021**	**2020**	**2019**	**2018**	**2017**
Fair value at 31 December 2021	$0.15	$0.38	$1.15	$1.33	$2.59
Portfolio expected volatility	23.27%	23.27%	23.27%	23.27%	23.27%
Expected remaining life	6	5	4	3	2
Risk-free interest rate	1.50%	1.40%	1.24%	1.05%	0.89%

Year of grant	**2020**	**2019**	**2018**	**2017**	**2016**
Fair value at 31 December 2020	$0.59	$1.53	$1.75	$3.25	$3.93
Portfolio expected volatility	25.92%	25.92%	25.92%	25.92%	25.92%
Expected remaining life	6	5	4	3	2
Risk-free interest rate	0.62%	0.48%	0.37%	0.33%	0.30%

Virtus Long Term Incentive Plan

The shareholders of Virtus approved the following long-term incentive plans ("LTIP") with an effective commencement date of 2 February 2017:

(i) Executive Management Scheme ("EMS") applicable to key management employees

(ii) Key Employees Scheme ("KES") applicable to employees

The LTIP is designed to provide long-term incentives for employees at all levels to deliver long-term shareholder returns. Under the plan, participants are granted cash-settled units each year, the value of which is tied to the fair value of Virtus based on the underlying equity value of Virtus ("the initial share price"). The amount of cash payment is determined based on the increase in the fair value of Virtus's share between the grant date ("the initial share price") and the exercise date. Each grant vests over 4 years and is exercisable up to 7 years from the start date of each grant.

The fair value of services received in return for LTIP granted are measured by reference to the fair value of LTIP granted. The estimate of the fair value of the services received is measured based on the Black Scholes Model. The key assumptions applied in the estimate of fair values for EMS and KES are as follows:

Year of grant	**2021**	**2020**	**2019**	**2018**	**2017**
Fair value at 31 December 2021	$2.91	$3.15	$3.26	$3.40	$3.83 - $5.14
Initial share prices	$6.28	$5.18	$4.55	$4.03	$1.81 - $3.25
Portfolio expected volatility	39.71%	39.71%	39.71%	39.71%	39.71%
Expected remaining life	6	5	4	3	1 - 2
Risk-free interest rate	0.78%	0.79%	0.72%	0.74%	0.47%-0.65%

Year of grant	**2020**	**2019**	**2018**	**2017**
Fair value at 31 December 2020	$2.56	$2.69	$2.83	$3.22 - $4.44
Initial share prices	$5.13	$4.51	$3.99	$1.79 - $3.22
Portfolio expected volatility	36.82%	36.82%	36.82%	36.82%
Expected remaining life	6	5	4	2 - 3
Risk-free interest rate	0.00%	0.00%	0.00%	0.00%

STT India Long Term Incentive Plan

In August 2017, the STT India Remuneration Committee approved the Appreciation Unit Plan ("AUP") for STT India's employees. The AUP units are granted annually. Each grant is divided into four tranches of 25% and each tranche can be encashed upon meeting stated encashment conditions during two exercise window periods provided each year. The contractual life is 7 years.

The initial value for each grant is set at INR100 per AUP unit. At each exercise window period, a "final value" will be determined for each unit of the respective grant based on INR100 adjusted by the compounded shareholders' return percentage relative to the initial unit price at the start date of the grant. For any AUP unit exercised, the difference between the determined "final value" for each grant and the initial unit price will be payable in cash to the employee.

The estimate of the fair value of the services received is measured based on a Black-Scholes model. The key assumptions applied in the estimate of the fair values are as follows:

Year of grant	2021	2020	2019	2018	2017
Fair value at 31 December 2021	$1.06	$1.68	$2.35	$2.93	$3.66
Portfolio expected volatility	27.92%	27.92%	27.92%	27.92%	27.92%
Expected remaining life	6.25	5.25	4.25	3.25	2.25
Risk-free interest rate	6.20%	6.02%	5.80%	5.51%	5.15%

Year of grant	2020	2019	2018	2017
Fair value at 31 December 2020	$0.91	$1.30	$1.63	$2.06
Portfolio expected volatility	29.77%	29.77%	29.77%	29.77%
Expected remaining life	6.25	5.25	4.25	3.25
Risk-free interest rate	5.59%	5.32%	5.00%	4.63%

37 Significant related party transactions

In addition to the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions during the financial year:

	Group	
	2021	2020
	$'m	$'m
Related corporations		
Purchase of property, plant and equipment	(2)	(1)
Rental expenses	(1)	(1)
Revenue	40	41
Service expenses	(54)	(53)

38 Financial risk management

Wholly-owned operating subsidiaries adopt the Company's financial risk management framework and guidelines; non-wholly-owned operating subsidiaries will be supervised by their respective boards, being subject to the legal and statutory governance required of the entities. Financial risk management at the operating companies that are not subsidiaries are reviewed and managed by their respective management and supervised by the respective Boards.

The Company has board representations in the operating companies. Management of each operating company is responsible and accountable for the risk management processes of its company. The financial risk management disclosures relating to the Company and certain significant operating companies as extracted from the financial risk management section in their respective financial statements are disclosed below.

(a) The Company, STTC and Asia Mobile Holdings (the "holding companies")

Financial risk management objectives and policies

The Company, STTC (including its wholly-owned investment holding subsidiaries ("STTC entities")) and Asia Mobile Holdings have principal activities of that of an investment holding company that owns and manages its operating subsidiaries and affiliates on an arm's length and commercial basis. In general, the holding companies do not guarantee the financial obligations of their operating companies.

The holding companies have risk guidelines for approval authorities, reporting requirements and procedures for managing their financial risks. The holding companies' management teams operate the risk management framework within the risk guidelines established and approved by the holding companies' Board of Directors.

Exposures to credit, liquidity, market, interest rate and currency risks arise in the normal course of the holding companies' business. The holding companies have risk management guidelines which set out their tolerance of risk and their general risk management philosophy, and have a framework to monitor the exposures and ensure appropriate measures are implemented in a timely and effective manner. The management of these risks is discussed below:

Credit risk

A credit guideline is in place and the exposure to credit risk is monitored on an ongoing basis. Limits are set for counterparties of different credit standing and also vary with the type of transaction. These limits will cap the credit risk exposure to any single counterparty.

The carrying amount of financial assets represents the holding companies' maximum exposure to credit risk. Cash and fixed deposits are placed with financial institutions which are regulated. The holding companies do not hold any collateral in respect of their financial assets.

The Company has balances with related parties of $452 million (2020: $452 million). The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections), and applying expected credit judgement. For balances with a significant increase in credit risk, impairment on these balances has been measured on the lifetime expected loss basis. There is no significant increase in credit risk for the remaining exposures. Therefore, impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. Except for certain amounts due from related parties which are fully impaired, the amount of the allowance on those remaining balances is insignificant.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The amount of the allowance on cash and cash equivalents is negligible. The cash and cash equivalents are held with bank and financial institutions counterparties, which have a minimum rating of A-2, based on Standard & Poor's ratings.

Liquidity risk

The holding companies monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance their operations and to mitigate the effects of fluctuations in cash flows. As far as possible, the holding companies will always raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The following are the expected contractual undiscounted cash outflows of non-derivative financial liabilities and derivative assets:

	Total $'m	Within 1 year $'m	2 to 5 years $'m	After 5 years $'m
2021				
Company				
Non-derivative financial liabilities				
Other payables and accruals	(1)	(1)	–	–
Bank and other borrowings	(521)	(18)	(503)	–
	(522)	(19)	(503)	–
2020				
Company				
Non-derivative financial liabilities				
Other payables and accruals	(1)	(1)	–	–
Bank and other borrowings	(539)	(18)	(521)	–
	(540)	(19)	(521)	–
2021				
STTC				
Non-derivative financial liabilities				
Other payables and accruals	(16)	(16)	–	–
Balances with related parties	(521)	(18)	(503)	–
Lease liabilities	(15)	(3)	(12)	–
	(552)	(37)	(515)	–
2020				
STTC				
Non-derivative financial liabilities				
Other payables and accruals	(19)	(19)	–	–
Balances with related parties	(539)	(18)	(521)	–
Lease liabilities	(17)	(3)	(12)	(2)
	(575)	(40)	(533)	(2)

	Total $'m	Within 1 year $'m	2 to 5 years $'m
2021			
Asia Mobile Holdings			
Non-derivative financial liabilities			
Bank and other borrowings	(811)	(7)	(804)
Other payables and accruals	(6)	(6)	–
Balances with related parties	(13)	(13)	–
Derivative financial liabilities			
Interest rate swaps used for hedging	(21)	–	(21)
	(851)	(26)	(825)
2020			
Asia Mobile Holdings			
Non-derivative financial liabilities			
Bank and other borrowings	(813)	(7)	(806)
Other payables and accruals	(5)	(5)	–
Balances with related parties	(14)	(14)	–
Derivative financial liabilities			
Interest rate swaps used for hedging	(45)	–	(45)
	(877)	(26)	(851)

The maturity analyses show the undiscounted cash flows of the holding companies' financial liabilities on the basis of their earliest possible contractual maturity.

For derivative financial instruments, the cash inflows represent the contractual undiscounted cash flows relating to these instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Gross inflows and outflows are included for derivatives that are gross-settled on a simultaneous basis. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the holding companies' floating rate loans.

Market risk

The holding companies are exposed to investment risks from their investment portfolios, which largely comprise long term investments. These investments are concentrated in the telecommunication and data centre sectors. The market value of the listed portfolio is subject to fluctuations due to volatility of the stock markets.

The holding companies mitigate these investment risks through stringent selection of investment opportunities and proper structuring of the investment transactions. Changes in the share prices of the listed investments are monitored for divestment decision-making as well as provision for any potential impairment loss.

Interest rate risk

The holding companies' exposure to market risk for changes in interest rates relates primarily to its debt obligations. The holding companies' policy is to manage interest rates through a combination of fixed and floating rate debt. Derivative financial instruments such as interest rate swaps may also be used, when appropriate and based on market conditions, to reduce exposure to floating interest rate risk.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform"). Asia Mobile Holdings hold interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. These interest rate swaps have floating legs that are indexed to SOR or LIBOR. As the reset dates of these cash flow hedging relationships do not extend beyond the anticipated cessation dates for SOR and LIBOR, Asia Mobile Holdings currently do not expect the hedging relationships to be directly impacted by the IBOR reform. No derivative instruments or loans have been modified as at 31 December 2021.

At 31 December, Asia Mobile Holdings have outstanding interest rate swap contracts for hedging of floating rate interest obligations by swapping them for fixed rate interest obligations with notional principal amounts as follows:

	Asia Mobile Holdings	
	2021	**2020**
	S'm	**S'm**
Interest rate swap contracts	718	713

Sensitivity analysis

Asia Mobile Holdings' borrowings at variable rates are denominated in Singapore dollars and US dollars. An increase/(decrease) in the interest rates by 100 basis points (2020: 100 basis points) with all other variables remaining constant, will result in Asia Mobile Holdings' profit before taxation to be lower/(higher) by $1 million (2020: $1 million). The analysis is performed on the same basis for 2020.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

	Effective interest rate %	**Total S'm**	**Floating interest S'm**
STTC			
2021			
Financial assets			
Fixed deposits	0.10 – 0.51	805	805
2020			
Financial assets			
Fixed deposits	0.05 – 0.82	490	490

Asia Mobile Holdings	Effective interest rate %	Total S'm	Floating interest S'm	Fixed interest rate maturing within 1 to 5 years S'm
2021				
Financial assets				
Fixed deposits	0.02 – 0.33	97	97	–
Balances with related parties	3.15 – 3.26	69	69	–
		166	166	–
Financial liabilities				
Unsecured long-term bank loans:				
- Floating rate	0.85 – 0.94	798	798	–
- Effect of interest rate swap	2.20 – 3.32	–	(718)	718
		798	80	718
2020				
Financial assets				
Fixed deposits	0.01 – 1.95	82	82	–
Balances with related parties	3.26 – 4.89	76	76	–
		158	158	–
Financial liabilities				
Unsecured long-term bank loans:				
- Floating rate	0.88 – 2.63	793	793	–
- Effect of interest rate swap	2.22 – 3.32	–	(713)	713
		793	80	713

Cash flow hedges

At 31 December, Asia Mobile Holdings held the following instruments to hedge exposures to changes in interest rates.

	Maturity After 1 year but within 5 years 2021 S'm	2020 S'm
Interest rate risk		
Interest rate swaps		
Net exposure	718	713
Average fixed interest rate	2.81%	2.80%

The amounts at the reporting date relating to items designated as hedged items are as follows:

	Change in value used for calculating hedge ineffectiveness S'm	Cash flow hedge reserve S'm	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied S'm
2021			
Interest rate risk			
Unsecured long-term bank loans	–	(21)	–
2020			
Interest rate risk			
Unsecured long-term bank loans	–	(45)	–

The amounts relating to items designated as hedging instruments are as follows:

	2021				During the year - 2021
	Nominal amount S'm	Carrying amount – assets S'm	Carrying amount – liabilities S'm	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in other comprehensive income S'm
Interest rate risk					
Interest rate swaps	718	–	(21)	Derivative liabilities	24

	2020				During the year - 2020
	Nominal amount S'm	Carrying amount – assets S'm	Carrying amount – liabilities S'm	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in other comprehensive income S'm
Interest rate risk					
Interest rate swaps	713	–	(45)	Derivative liabilities	(18)

Currency risk

The holding companies are exposed to foreign currency risk on transactions that are denominated primarily in currencies other than the functional currency of the holding companies. It is the holding companies' policy to hedge these risks as they arise whenever possible. The holding companies may use currency swaps and forward exchange contracts to hedge the foreign currency risk on committed currency exposures. At the reporting date, the currency giving rise to this risk is primarily the US dollar.

The holding companies do not hedge the foreign exchange exposure with respect to their venture and long term strategic capital investments made in various countries as forecasts of the timing and quantum of the realisable proceeds cannot be reasonably determined. This exposure is regarded as an integral part of the holding companies' investment risks and any gain or loss forms part of the holding companies' investment returns.

At 31 December 2021 and 2020, the holding companies do not have outstanding currency swaps contracts for hedging purposes.

The holding companies incur foreign exchange risk on cash and cash equivalents, loans and balances with related parties that are denominated in currencies other than the functional currency. The currency giving rise to this risk is primarily the US dollar.

The holding companies' exposure to US dollar are as follows:

	STTC		**Asia Mobile Holdings**	
	2021	**2020**	**2021**	**2020**
	S'm	**S'm**	**S'm**	**S'm**
Bank and other borrowings	29	–	(198)	(193)
Cash and cash equivalents	207	198	19	16
Balances with related parties	–	–	69	76
Net exposure	236	198	(110)	(101)

Sensitivity analysis

At 31 December, a 1% (2020: 1%) strengthening of Singapore dollar against the US dollar would increase/(decrease) profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	STTC		**Asia Mobile Holdings**	
	2021	**2020**	**2021**	**2020**
	S'm	**S'm**	**S'm**	**S'm**
Profit before taxation				
US dollar	(2)	(2)	1	1

A 1% weakening of Singapore dollar against the US dollar would have had the equal but opposite effect.

Fair values

Fixed interest bearing loan to subsidiary

The fair value of non-current loan to its subsidiary was calculated using discounted cash flow model based on the present value of future principal and interest cash flow, discounted at the market rate at the reporting date. The fair value of the loan approximates $475 million (2020: $492 million).

Fixed interest bearing medium term notes

The fair value of fixed interest bearing medium term notes was based on quoted market price at the reporting date. At the reporting date, the fair value of the medium term notes was $475 million (2020: $492 million).

Floating interest bearing loans and balances with related parties

No fair value is calculated as Asia Mobile Holdings believes that the carrying amounts of floating interest bearing loans which are repriced within 1 to 6 months from the reporting date, reflect the corresponding fair values.

Derivatives

Marked to market valuations of the interest rate swaps are provided by the banks. These quotes are independently tested using alternate pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

Cash and cash equivalents, other receivables, other payables and accruals, and current balances with related parties

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

Unquoted investments held by wholly-owned investment holding subsidiaries

The fair value of financial assets at FVOCI and FVTPL are determined by using valuation techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value at the reporting date:

	Level 1 $'m	Level 2 $'m	Level 3 $'m
2021			
STTC entities			
Unquoted FVOCI financial assets	–	–	71
Unquoted FVTPL financial assets	–	–	155
Contingent consideration	–	–	(8)
Asia Mobile Holdings			
Mark-to-market financial liabilities			
- Interest rate swaps	–	(21)	–
2020			
STTC entities			
Unquoted FVOCI financial assets	–	–	71
Unquoted FVTPL financial assets	–	–	100
Contingent consideration	–	–	(8)
Asia Mobile Holdings			
Mark-to-market financial liabilities			
- Interest rate swaps	–	(45)	–

Unquoted financial assets

The fair values of unquoted investments are based on various factors that are broadly categorised as follows:

(a) Fair values of companies that are performing to plan are estimated to be equivalent to the recent round of financing unless there are indications to suggest otherwise.

(b) Fair values of companies where the price of recent round of financing is no longer appropriate to use are based on various factors including EBITDA multiple of comparable companies and net asset values.

The judgements required to determine the appropriate valuation methodology of unquoted investments means there is a risk of material adjustment to the carrying amounts of assets. Investment valuations require the use of judgement, estimates and assumptions about the carrying amounts of assets that are not readily available or observable.

For unquoted investments at FVOCI that are valued using comparable EBITDA multiple, the fair value will increase/(decrease) if the expected EBITDA multiple is higher/(lower). An increase of 0.5 (2020: 0.5) in the EBITDA multiple would result in an increase in the Group's equity of \$11 million (2020: \$11 million). A decrease of 0.5 (2020: 0.5) in the EBITDA multiple would result in a decrease in the Group's equity of \$11 million (2020: \$11 million).

Contingent consideration

The fair value of the contingent consideration was calculated based on the expected payment amount and its associated probabilities (i.e. probability-weighted). Since the contingent consideration is long-term in nature, it was discounted to present value. Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Changing the significant unobservable input used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for the financial assets measured using Level 3 fair values:

STTC entities	**\$'m**
At 1 January 2021	171
Purchases	21
Total unrealised gains and losses recognised in profit or loss	
- Net change in fair value of FVTPL financial assets	34
At 31 December 2021	226

STTC entities	**$'m**
At 1 January 2020	227
Purchases	4
Total unrealised gains and losses recognised in profit or loss	
- Net change in fair value of FVTPL financial assets	2
Total unrealised gains and losses recognised in other comprehensive income	
- Net change in fair value of FVOCI financial assets	(62)
At 31 December 2020	171

(b) Operating companies in the Group

StarHub Ltd and its subsidiaries ("StarHub Group")

Financial risk management objectives and policies

Exposure to credit, liquidity, interest risk, foreign exchange and market risks arises in the normal course of StarHub Group's business.

This note presents information about StarHub Group's exposure to each of the above risks, StarHub Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

StarHub Board of Directors has overall responsibility for the establishment and oversight of StarHub Group's risk management framework. StarHub Board has established StarHub Risk and Sustainability Committee, which in turn is assisted by StarHub Management Risk Committee, which is responsible for developing and monitoring StarHub Group's risk management policies. StarHub Management Risk Committee reports to StarHub Risk and Sustainability Committee on a regular basis. StarHub Risk and Sustainability Committee reports to StarHub Board of Directors on its activities.

StarHub Group's risk management policies are established to identify and analyse the risks faced by StarHub Group from both an operational and execution basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and StarHub Group's activities. StarHub Group, through its training and management standards and procedures, aims to promote a culture of risk management which entails awareness, accountability and ownership in all StarHub Group's employees.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates, where appropriate. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Credit risk

Credit risk is the risk of financial loss to StarHub Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from StarHub Group's receivables from customers.

StarHub management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic review of credit policy and counterparty credit limits are also practised.

StarHub Group has no significant concentration of credit risk from trade receivables due to its large diversified customer base. Credit evaluations are performed on corporate customers requiring credit. Identification documents are obtained from retail customers. Deposits are obtained for certain categories of higher risk customers.

Counterparty risk arising from cash and cash equivalents and treasury transactions is managed by dealing mainly with high credit quality counterparties, which have a minimum rating of A/A1 based on Standard & Poor or Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. StarHub Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties. The amount of allowance on cash and cash equivalents was negligible.

The maximum credit risk exposure is represented by the carrying amount of each financial asset in the balance sheet less collaterals held. Collaterals in the form of cash or bank guarantees are obtained from counterparties where appropriate.

StarHub Group uses an allowance matrix to measure the ECLs of trade receivables. In the assessment of ECLs, StarHub Group applies the simplified approach to estimate the loss allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The following table details the risk profile of trade receivables from contracts with customers based on StarHub Group's allowance matrix:

	2021			2020			
	Weighted average loss rate	**Gross carrying amount $m**	**Loss allowance $m**	**Weighted average loss rate**	**Gross carrying amount $m**	**Loss allowance $m**	**Credit impaired?**
Group							
Current	3.99%	106	4	1.78%	85	1	No
Past due 1 - 15 days	10.04%	20	2	8.37%	21	2	Yes
Past due above 15 days	33.51%	112	38	36.29%	144	52	Yes
		238	44		250	55	

StarHub Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, StarHub Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on StarHub Group's view of economic conditions over the remaining lifetime of future performance obligations.

The following table details the risk profile of contract assets based on StarHub Group's allowance matrix.

	2021			2020		
	Weighted average loss rate	**Gross carrying amount S'm**	**Impairment loss allowance S'm**	**Weighted average loss rate**	**Gross carrying amount S'm**	**Impairment loss allowance S'm**
Current	1.69%	361	(6)	1.62%	394	(6)

Liquidity risk

Liquidity risk is the risk that StarHub Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

StarHub Group actively monitors its liquidity risk and manages its operating cash flows, debt maturity profile, availability of funding, and reviews compliance with loan covenants. StarHub Group maintains sufficient level of cash and cash equivalents, expects to generate sufficient cash flows from its operation, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its multicurrency debt issuance programme to ensure that there are adequate credit facilities which may be utilised when the need arises to meet its working capital requirements.

StarHub management assessed that with these available facilities and positive cash flows from StarHub Group's operations, StarHub Group will be able to refinance the current bank borrowings and pay its liabilities as and when they are due.

The following are the expected contractual undiscounted cash outflows (including interest payments) of financial liabilities:

			Contractual cash flows		
	Carrying amount S'm	**Total S'm**	**Within 1 year S'm**	**After 1 year but within 5 years S'm**	**After 5 years but within 10 years S'm**
2021					
Non-derivative financial liabilities					
Bank and other borrowings	(1,366)	(1,522)	(264)	(965)	(293)
Trade and other payables ^	(671)	(684)	(626)	(30)	(28)
Balances with related parties	(17)	(17)	(17)	–	–
Lease liabilities	(132)	(183)	(37)	(71)	(75)
	(2,186)	(2,406)	(944)	(1,066)	(396)
2020					
Non-derivative financial liabilities					
Bank and other borrowings	(1,172)	(1,315)	(41)	(896)	(378)
Trade and other payables ^	(532)	(548)	(462)	(58)	(28)
Balances with related parties	(26)	(26)	(26)	–	–
Lease liabilities	(158)	(194)	(35)	(94)	(65)
	(1,888)	(2,083)	(564)	(1,048)	(471)

			Contractual cash flows		
	Carrying amount S'm	Total S'm	Within 1 year S'm	After 1 year but within 5 years S'm	After 5 years but within 10 years S'm
2020					
Derivative financial liabilities					
Forward exchange contracts used for hedging (gross-settled)	(3)				
- Outflow		(82)	(82)	–	–
- Inflow		79	79	–	–
	(3)	(3)	(3)	–	–

^ The carrying amount of trade and other payables disclosed in the table excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.

The maturity analysis shows the contractual undiscounted cash flows of StarHub Group's derivative financial instruments on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect StarHub Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

StarHub Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, StarHub Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Interest rate risk

StarHub Group's exposure to market risk for changes in interest rates relates primarily to StarHub Group's debt obligations. StarHub Group adopts a policy of ensuring that at least 50 percent of its exposure to changes in interest rates on long-term borrowings is on a fixed rate basis.

Exposure to interest rate risk

At the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to StarHub management, was as follows:

	2021 S'm	2020 S'm
Fixed rate instruments		
Fixed deposits	578	206
Borrowings	1,358	1,164
Variable rate instrument		
Borrowings	7	9

Sensitivity analysis for variable rate instruments

StarHub Group's borrowings are denominated in Singapore dollar. An increase/decrease in the floating interest rates by 100 basis points (2020: 100 basis points) with all other variables remaining constant, does not have a material impact on the Group's profit before taxation.

Foreign currency risk

StarHub Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, that are denominated in a currency other than the respective functional currencies of StarHub Group entities. The currency giving rise to this risk is primarily the United States dollar.

In respect of other monetary liabilities held in foreign currencies, StarHub Group ensures that the net exposure is kept to an acceptable level by buying foreign currencies at spot rates where necessary to address any shortfalls.

StarHub Group's exposures to United States dollar are as follows:

	2021 S'm	2020 S'm
Contract assets	3	3
Trade and other receivables	20	24
Cash and cash equivalents	46	35
Trade and other payables	(123)	(64)
	(54)	(2)

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk on committed payment obligations. At 31 December 2021, StarHub Group has outstanding forward exchange contracts with notional principal amounts of approximately $20 million (2020: $82 million).

Sensitivity analysis

StarHub Group has assessed that a reasonable change in the exchange rate would not result in a material impact on the Group's results.

Equity price risk

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

Sensitivity analysis

StarHub Group has assessed that a reasonable change in the share price would not result in a material impact on the Group's equity.

Classification of financial instruments

	2021 S'm	2020 S'm
Financial assets at amortised cost		
Cash and cash equivalents	833	415
Trade receivables	194	195
Other receivables#	129	27
Amounts due from related parties	14	18
	1,170	655
Equity investment at FVOCI		
Quoted equity security	7	17
Financial liabilities at amortised cost		
Trade and other payables^	(671)	(532)
Amounts due to related parties	(17)	(26)
Borrowings	(1,366)	(1,172)
Lease liabilities	(132)	(158)
	(2,186)	(1,888)
Financial liabilities at fair value		
Contingent consideration	(39)	(35)
Forward liability to acquire non-controlling interests	(37)	(35)
Forward exchange contracts used for hedging (derivative liability)	–	(3)
	(76)	(73)

\# Excludes prepayments.
^ Excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of StarHub Group:

Derivatives

Marked-to-market valuations of the forward exchange contracts are provided by the banks. Those quotes are tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on StarHub's management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

Borrowings

The fair values of fixed interest bearing borrowings which reprice within one year of reporting date were assumed to equate the carrying amount. All other fixed interest bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

As at 31 December 2021, the fair value of bank loans and medium term notes are $639 million (2020: $667 million) and $737 million (2020: $540 million) respectively.

Contingent consideration and forward liability to acquire non-controlling interests

The fair values of contingent consideration and forward liability to acquire non-controlling interests are based on estimates from the associated probabilities of achieving performance targets by the investee and the expected payment amount.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values.

The fair value of non-current other financial assets and financial liabilities was calculated using the discounted cash flow model based on the present value of expected cashflow at the market rates at the reporting date. The carrying amounts approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value, using the above valuation methods, at the reporting date:

	Fair value level	2021 S'm	2020 S'm
Financial assets			
Quoted equity security	1	7	17
Financial liabilities			
Mark-to-market financial instruments			
- Forward exchange contracts	2	–	3
Contingent consideration	3	39	35
Forward liability to acquire non-controlling interests	3	37	35

There were no transfers between Levels 1 and 2 in 2021 and 2020.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group			
	Forward liability to acquire non-controlling interests 2021 S'm	Forward liability to acquire non-controlling interests 2020 S'm	Contingent consideration 2021 S'm	Contingent consideration 2020 S'm
At 1 January	35	–	35	24
Arising from business combination	–	33	–	18
Unrealised losses recognised in income statement	–	–	3	–
Finance costs	3	2	1	1
Settlements during the year	–	–	–	(8)
Translation differences	(1)	–	–	–
At 31 December	37	35	39	35

The fair values of the forward liability and contingent consideration are estimated based on the present value of expected payments.

Changing the significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

The fair value of the forward liability will increase/(decrease) if the expected average financial performance of Strateq is higher/(lower).

(c) TeleChoice International Limited and its subsidiaries ("TeleChoice Group")

Financial risk management objectives and policies

TeleChoice Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk). TeleChoice Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. TeleChoice Group's management continually monitors TeleChoice Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and TeleChoice Group's activities.

Credit risk

Credit risk is the risk of financial loss to TeleChoice Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from TeleChoice Group's receivables from customers.

Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. TeleChoice Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Trade receivables and contract assets

TeleChoice Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at 31 December 2021, the TeleChoice Group has 15% (2020: 24%) of total receivables due from two (2020: one) major customers, and approximately 20% (2020: 15%) of TeleChoice Group's revenue is attributable to sales transactions with these two (2020: one) customers.

TeleChoice Group has a credit policy under which each new customer is analysed individually for creditworthiness before TeleChoice Group's standard payment and delivery terms and conditions are offered. TeleChoice Group's review includes external ratings, where available, and in some cases bank references. Otherwise, the credit quality of customers is assessed after taking account its financial position and past experience with the customers. Credit exposure to customers is restricted by credit limits that are monitored by TeleChoice management on an ongoing basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or incorporated entity, whether they are a multinational corporation, wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade receivables comprise mainly TeleChoice Group's amount due from related parties and multinational corporations.

TeleChoice Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and contract assets. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The loss allowances are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the receivables. TeleChoice Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the receivables past history of loss rate, existing market conditions as well as forward looking estimates at the end of each reporting period. In assessing the segmentation of the receivables for the loss allowance, judgement is involved in determining the creditworthiness and financial health of its receivables. Where their conditions change, this may require changes in the receivables' segmentation, which in turn may affect the level of loss allowance in future periods.

If TeleChoice Group is satisfied that no recovery of the amount owing is possible, at that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset. Actual results could differ from estimates.

There are no other significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Exposure to credit risk

TeleChoice Group's primary exposure to credit risk arises through its trade receivables and amounts due from related parties. TeleChoice Group's historical experience in the collection of accounts receivable falls within the recorded allowances. As a result, TeleChoice management believes that no additional credit risk beyond the amounts provided for is inherent in TeleChoice Group's trade receivables and amounts due from related parties.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets at the reporting date (by type of customer).

	2021 **\$'m**	**2020** **\$'m**
Related companies	6	12
Multinational companies	10	21
Other companies	31	25
	47	58

Expected credit loss assessment

TeleChoice Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets. In calculating the expected credit loss rates, TeleChoice Group considers historical loss rates and, if relevant, adjustment for forward looking economic factors affecting the customers' ability to settle the outstanding receivables.

TeleChoice Group's exposure to credit risk and ECL relating to trade receivables and contract assets at the reporting date is immaterial as at year end.

Liquidity risk

TeleChoice Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance TeleChoice Group's operations and to mitigate the effects of fluctuations in cash flows. TeleChoice Group maintains sufficient level of cash and cash equivalent to meet its working capital and services its financial obligation. When required, TeleChoice Group also obtains short-term bridging arrangement with banks to pay for their purchases of equipment.

The management of TeleChoice Group monitors cash flow requirements through regular cash flow forecast carried out at the operating companies' level in accordance with the working capital requirement. TeleChoice Group sets asset productivity targets which vary by entity and location taking into consideration the business environment that the entity operates in. Asset productivity targets used include debtor and inventory turnover days.

In addition, TeleChoice Group maintains total lines of credit of $135 million (2020: $136 million) for revolving credit and working capital line facilities, at a margin over cost of funds.

The following are the expected contractual undiscounted cash outflows of financial liabilities:

	Carrying amount $'m	**Contractual cash flows $'m**	**Less than 12 months $'m**	**1 to 5 years $'m**
2021				
Unsecured bank loans	(3)	(3)	(3)	–
Lease liabilities	(7)	(7)	(3)	(4)
Trade and other payables*	(45)	(45)	(45)	–
	(55)	(55)	(51)	(4)
2020				
Unsecured bank loans	(14)	(14)	(14)	–
Lease liabilities	(7)	(7)	(4)	(3)
Trade and other payables*	(29)	(29)	(29)	–
	(50)	(50)	(47)	(3)

* Exclude advances from customers

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. TeleChoice Group's exposure to cash flow interest rate risks arises mainly from short-term floating rate borrowings. TeleChoice Group does not use derivative financial instruments to hedge its interest rate risk.

Effective interest rate and repricing analysis

In respect of the interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice:

	2021		2020	
	Effective interest rate %	**Floating interest $'m**	**Effective interest rate %**	**Floating interest $'m**
Financial liabilities				
Unsecured bank loans	2.84 – 5.60	3	1.00 – 6.53	14

Sensitivity analysis

TeleChoice Group's borrowings at variable rates are denominated mainly in Singapore Dollars. The fluctuation in interest rates does not have a material impact to the financial statements.

Foreign currency risk

TeleChoice Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, including intercompany sales, purchases and intercompany balances, that are denominated in a currency other than TeleChoice Group entities' functional currencies. The functional currencies of TeleChoice Group entities are primarily the Singapore dollar. The currency in which these transactions primarily are denominated is US dollar.

Sensitivity analysis

A 10% strengthening/weakening of US dollars against the Singapore dollars does not have a material impact to the financial statements.

Classification of financial instruments

	2021 $'m	2020 $'m
Financial assets at amortised cost		
Cash and cash equivalents	35	27
Trade and other receivables#	29	37
	64	64
Financial liabilities at amortised cost		
Trade and other payables*	45	29
Loans and borrowings	3	14
	48	43

Excludes prepayments and deferred expenses
* Exclude advances from customers

Estimation of fair values

As at 31 December 2021, the fair value of non-current other receivables and other payables amounted to $1 million (2020: $1 million) and nil (2020: $1 million) respectively.

The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and loan and other borrowings) are assumed to approximate their fair values because of the short period to maturity.

(d) U Mobile Sdn. Bhd. and its subsidiaries ("U Mobile Group")

Financial risk management objectives and policies

U Mobile Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors of U Mobile Group reviewed and agreed on the policies and procedures for the management of these risks, which are executed by the Head of Finance of U Mobile Group. U Mobile Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the businesses whilst managing its interest rate risk, liquidity risk, credit risk and foreign currency risk.

The following sections provide details regarding U Mobile's group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. U Mobile Group has no significant interest-bearing financial assets, however its interest-bearing loans are exposed to interest rate risk. U Mobile Group's income and operating cash flows are substantially independent of changes in market interest rates. U Mobile Group's exposure to interest rate risk arises primarily from its short term deposits with licensed banks and term loan facility.

Sensitivity analysis

An increase/decrease in the interest rates by 500 basis points (2020: 500 basis points) with all other variables remaining constant, does not have a material impact on U Mobile Group's profit before taxation.

Liquidity risk

Liquidity risk is the risk that U Mobile Group will encounter difficulties in meeting financial obligations due to shortage of funds. U Mobile Group manages its liquidity risk by closely monitoring the maturity profile of its debt. Where there are anticipated funding requirements, U Mobile Group discusses them with the shareholders with the view of considering available financing options to meet its current financial obligation. It is the shareholders' express intention that it will ensure that U Mobile Group will continue to operate as a going concern. As part of its overall liquidity management, U Mobile Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The table below summarises the maturity profile of U Mobile Group's liabilities at the reporting date based on the contractual undiscounted repayment obligations.

	Total S'm	Within 1 year S'm	Within 2 to 5 years S'm	After 5 years S'm
2021				
Trade and other payables	(1,420)	(573)	(847)	–
Loans and borrowings	(907)	(158)	(668)	(81)
	(2,327)	(731)	(1,515)	(81)
2020				
Trade and other payables	(1,408)	(525)	(883)	–
Loans and borrowings	(1,031)	(285)	(646)	(100)
Other financial liabilities	(214)	(21)	(86)	(107)
	(2,653)	(831)	(1,615)	(207)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty defaults on its obligations. U Mobile Group's exposure to credit risk arises primarily from trade and other receivables and cash and cash equivalents. Credit risk is managed by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting U Mobile Group's associations only to business partners with high creditworthiness. Deposits are placed only with reputable licensed financial institutions.

The maximum credit exposure on trade receivables is limited to the carrying amount of the receivables less allowance for ECL, whereas the maximum exposure for other receivables and cash and cash equivalents are the reported carrying amounts in the financial statements.

U Mobile Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

U Mobile Group performs impairment analysis at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. U Mobile Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly individual subscribers who subscribe to U Mobile Group's services.

	ECL rate %	Gross carrying amount $'m	Allowance for ECL $'m
2021			
Current	2%	46	1
1 to 30 days past due	25%	3	1
31 to 60 days past due	67%	1	1
61 to 90 days past due	86%	–	–
91 to 120 days past due	91%	–	–
121 to 150 days past due	94%	–	–
151 days and above	100%	24	24
		74	27
2020			
Current	2%	49	1
1 to 30 days past due	26%	3	1
31 to 60 days past due	64%	1	–
61 to 90 days past due	83%	1	1
91 to 120 days past due	86%	1	1
121 to 150 days past due	94%	–	–
151 days and above	100%	17	17
		72	21

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

U Mobile Group has transactional currency exposures arising from services performed or purchases that are denominated in a currency other than the functional currency of U Mobile Group. The foreign currencies in which these transactions are denominated are mainly US dollars, Singapore dollars, Euro dollars, and Special Drawing Rights. Special Drawing Rights is a basket of currencies which is used to denominate international roaming transactions.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis

A 5% strengthening/weakening of US dollars against the Malaysia Ringgit will result in U Mobile Group's profit before taxation to be lower/(higher) by $13 million (2020: $15 million). The analysis is performed on the same basis for 2020.

Other than as disclosed above, other foreign currencies are assessed to be not material to the financial results of U Mobile Group.

Estimation of fair values

The carrying amounts of cash and cash equivalents, short term receivables, payables and short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.

Hire purchase payables

The fair value of the hire purchase payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the reporting date.

Loans and borrowings

The carrying amounts of the current and non-current portion of loans and borrowings other than RCPS are reasonable approximations of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(e) STT GDC Pte. Ltd. and its subsidiaries ("STT GDC Group")

Financial risk management objectives and policies

STT GDC Group has exposure to credit risk, liquidity risk and interest rate risk from the normal course of its business. STT GDC Group has established processed for monitoring the risks. At the reporting date, STT GDC Group's exposure to foreign currency risk is not significant.

Credit risk

Credit risk is the risk of financial loss to STT GDC Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from STT GDC Group's trade receivables from customers. STT GDC Group has credit guidelines in place and the exposure to credit risk is monitored on an ongoing basis. Periodic credit reviews and counterparty credit limits are practised.

The carrying amount of financial assets and contract assets in the statement of financial position represent STT GDC Group's maximum exposure to credit risk, before taking into account any collateral held. STT GDC Group does not require collateral in respect of financial assets.

At 31 December 2021, STT GDC Group has two (2020: two) major customers representing 51.5% (2020: 49.7%) of trade receivables.

Expected credit loss ("ECL") assessment

STT GDC Group's primary exposure to credit risk arises through its trade receivables and contract assets. In monitoring customer credit risk, STT GDC Group allocates exposure to credit risk by segmenting customers based on geographical location.

In Singapore and United Kingdom, customers are segmented by customer type and an ECL rate is calculated for each customer type based on probabilities of default and loss given default. Lifetime probabilities of default are based on published external sources. Loss given default parameters generally reflect an assumed recovery rate of 0%. STT GDC Group monitors changes in credit risk by tracking the probabilities of default from published external sources. Loss allowances are adjusted for current conditions and STT GDC Group's view of economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

In India, STT GDC Group uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off, and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and STT GDC Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth rates.

The table below shows an analysis of exposure to credit risk for trade and unbilled receivables, contract assets and trade balances with related parties by geographic location.

	Weighted average loss rate %	Gross carrying amount S'm	Expected credit loss allowance S'm	Credit impaired loss allowance S'm	Total loss allowance S'm
2021					
Singapore	0.2	54	–	–	–
India	1.8	30	(1)	(1)	(2)
United Kingdom	0.2	119	–	–	–
		203	(1)	(1)	(2)
2020					
Singapore	0.1	36	–	–	–
India	1.2	38	(1)	(1)	(2)
United Kingdom	0.5	76	–	–	–
		150	(1)	(1)	(2)

STT GDC Group measures loss allowance for non-trade balances using the general approach (12-month ECL) which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

STT GDC Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for non-trade balances and considers that its cash and cash equivalents have low credit risk based on the probabilities of default of the counterparties from external sources. Cash and cash equivalents and derivatives are mainly held with banks of high credit ratings assigned by international credit-rating agencies. The amount of allowance is negligible.

Liquidity risk

Liquidity risk is the risk that STT GDC Group will not be able to meet its financial obligations as they fall due.

STT GDC Group monitors its liquidity risk and actively manages its operating cash flows, debt maturity profile and availability of funding. STT GDC Group also maintains sufficient level of liquid assets and has available funding through diverse sources of committed and uncommitted credit facilities from banks and loans from its related parties.

The following are the undiscounted contractual maturities of non-derivative financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $'m	**Total $'m**	**Within 1 year $'m**	**2 to 5 years $'m**	**After 5 years $'m**
2021					
Non-derivative financial liabilities					
Balances with related parties	674	(726)	(11)	(715)	–
Borrowings	2,521	(2,920)	(133)	(2,164)	(623)
Trade and other payables	301	(301)	(284)	(17)	–
Lease liabilities	739	(1,192)	(75)	(296)	(821)
	4,235	(5,139)	(503)	(3,192)	(1,444)
Derivative financial instruments					
Derivative liabilities – interest rate swaps used for hedging (net settled)	2	(2)	(2)	–	–
Derivative assets – interest rate swaps	(24)	24	–	24	–
	(22)	22	(2)	24	–
2020					
Non-derivative financial liabilities					
Balances with related parties	506	(527)	(11)	(516)	–
Borrowings	2,053	(2,545)	(113)	(1,818)	(614)
Trade and other payables	294	(294)	(288)	(6)	–
Lease liabilities	676	(1,113)	(67)	(273)	(773)
	3,529	(4,479)	(479)	(2,613)	(1,387)
Derivative financial instruments					
Derivative liabilities – interest rate swaps used for hedging (net settled)	3	(3)	(3)	–	–
Derivative liabilities – interest rate swaps	7	(7)	(1)	(6)	–
Derivative assets – interest rate floor	(1)	(2)	(1)	(1)	–
	9	(12)	(5)	(7)	–

STT GDC Group has secured bank loans and unsecured medium term notes which contain debt covenants. A future breach of these covenants may require STT GDC Group to repay the borrowings earlier than indicated in the table above. The covenants are monitored on a regular basis by STT GDC Group Treasury department and regularly reported to management to ensure compliance with the agreements.

For derivative financial instruments, the cash inflows represent the contractual undiscounted cash flows relating to these financial instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Net-settled derivative financial assets are included in the maturity analysis as they are held to hedge the cash flow variability of STT GDC Group's floating rate loans.

Interest rate risk

STT GDC Group's exposure to changes in interest rates relates primarily to its floating rate debt obligations. Derivate financial instruments such as interest rate swaps and interest rate caps may be used, when appropriate and based on market conditions, to reduce exposure to floating interest rate risk.

STT GDC Group adopts a policy of ensuring that at least 50% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. STT GDC Group applies a hedge ratio of 1:1.

STT GDC Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

STT GDC Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and STT GDC Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as 'IBOR reform'). STT GDC Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

STT GDC Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 included secured bank loans indexed to Singapore Dollar Swap Offer Rate ("SOR"), Singapore Overnight Rate Average ("SORA") and Sterling Overnight Index Average ("SONIA"). During the year, STT GDC Group completed the process of modifying bank loans indexed to Sterling LIBOR and SOR to reference SONIA and SORA respectively. In respect of SOR exposures on secured bank loans amounting to $186 million, STT GDC Group expects to fully repay such loans prior to the discontinuation of SOR by the end of June 2023.

STT GDC Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR or SORA. During the year, STT GDC Group replaced some of its SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SORA. In respect of SOR exposure on interest rate swap contracts amounting to $116 million, STT GDC Group does not expect these cash flow hedging relationships to extend beyond the anticipated cessation date for SOR.

STT GDC Group has evaluated that there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, STT GDC Group no longer applies the amendments to SFRS(I) 9 issued in December 2020 (Phase 1).

At the reporting date, STT GDC Group has outstanding derivative financial instruments for hedging of floating rate interest obligations with notional amounts as follows:

	2021 $'m	2020 $'m
Interest rate swap contracts	1,131	701
Interest rate caps	86	255
Interest rate floor	432	438

Exposure to interest rate risk

At the reporting date, the effective interest rates of the interest-bearing financial liabilities were as follows:

	Effective interest rate %	Total $'m	Floating rate $'m	Fixed rate $'m
2021				
Financial liabilities				
Loans from immediate holding company	2.80 – 4.30	647	–	647
Bank loans	1.32 – 7.75	1,898	1,898	–
Medium term notes	3.13 – 3.59	623	–	623
Effect of interest rate swap	0.24 – 2.07	–	(1,131)	1,131
		3,168	767	2,401
2020				
Financial liabilities				
Loans from immediate holding company	1.81 – 4.51	464	–	464
Bank loans	1.12 – 8.90	1,431	1,431	–
Medium term notes	3.13 – 3.59	622	–	622
Effect of interest rate swap	0.24 – 2.27	–	(701)	701
		2,517	730	1,787

Sensitivity analysis

An increase in the interest rate by 100 basis points (2020: 100 basis points), with all other variables remaining constant, would have increased STT GDC Group's loss before tax by approximately $8 million (2020: $7 million). A decrease in the interest rate by 100 basis points (2020: 100 basis points) would have the equal but opposite effect to the STT GDC Group's loss before tax.

Cash flow hedges

STT GDC Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	After 1 year but within 5 years	
	2021	2020
	$'m	$'m
Interest rate risk		
Interest rate swaps		
Net exposure	217	74
Average fixed interest rate	1.44%	1.64%

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness $'m	Cash flow hedge reserve $'m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied $'m
2021			
Interest rate risk			
Secured long-term bank loan	1	2	–
2020			
Interest rate risk			
Secured long-term bank loan	4	–	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	2021							
	Nominal amount S'm	**Assets S'm**	**Liabilities S'm**	**Line item in the balance sheet where the hedging instrument is included**	**Hedge ineffectiveness recognised in profit or loss S'm**	**Line item in profit or loss that includes hedge ineffectiveness**	**Amount reclassified from hedging reserve to profit or loss S'm**	**Line item in profit or loss affected by the reclassification**
Interest rate risk								
Interest rate swaps	217	1	(2)	Derivative liabilities	2	Finance income	2	Finance costs

	2020				
	Nominal amount S'm	**Liabilities S'm**	**Line item in the balance sheet where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI S'm**	**Line item in profit or loss affected by the reclassification**
Interest rate risk					
Interest rate swaps	74	(3)	Derivative liabilities	(4)	Finance costs

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of STT GDC Group.

Interest bearing borrowings and balances with related parties

No fair value is calculated for the floating rate loans as STT GDC Group believes that the carrying amounts, which are repriced within one year of reporting date reflect their corresponding fair value.

The fair value of the medium term notes is $634 million (2020:$643 million) calculated based on the quoted market prices as at the reporting dates.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, balances with related parties and lease liabilities) are assumed to approximate their fair values due to the short period to maturity.

The fair value of long-term receivables and payables are estimated based on the expected cash flows discounted to present value. The carrying amounts of these long-term receivables and payables approximate their fair value.

Derivatives

Marked to market valuations of the interest rate swaps, interest rate caps and interest rate floor are provided by the banks. These quotes are independently tested using alternative pricing models or discounted cash flow techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value, using Level 1, Level 2 and Level 3 valuation method, at the reporting date:

	Fair value level	2021 S'm	2020 S'm
Financial assets			
Interest rate swaps	2	24	–
Interest rate floor	3	–	1
Equity investments at FVOCI	3	4	–
Financial liabilities			
Interest rate swaps designated as hedging instruments	2	2	3
Interest rate swaps	2	–	7

39 Capital management

The Company regularly reviews its balance sheet structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns and proper strategic positioning.

From time to time, the related parties, excluding operating companies, may purchase the shares of its subsidiaries and associates on the market; the timing of these purchases depends on market prices, amongst other factors. Such share purchases are intended to maintain the Group's shareholding in its subsidiaries and affiliates.

The capital employed by the Company consists of equity attributable to shareholders. There were no changes in the Company's approach to capital management during the year.

Certain companies in the Group are subject to certain financial covenants including tangible net worth, net debt, security value and net cash available for debt servicing under its loan facilities. Management of these companies in the Group monitors these covenants on a regular basis to ensure compliance.

40 Business combinations

The following are the significant acquisitions by the Group:

(i) Aptitive LLC ("Aptitive")

On 31 December 2021, the Group's subsidiary, 2nd Watch, acquired a 100% stake in Aptitive, an analytics and data consulting company, for a total consideration of US$18 million (equivalent to $25 million) comprising US$15 million cash (equivalent to $20 million) and US$3 million (equivalent to $5 million) in shares of 2nd Watch, giving rise to goodwill of US$14 million (equivalent to $20 million). The net cash outflow on acquisition was US$13 million (equivalent to $18 million).

(ii) Strateq Sdn. Bhd. ("Strateq")

In the prior year, through an indirect subsidiary, StarHub Group completed the acquisition of Strateq Sdn. Bhd. for a total consideration of $100 million.

In connection with the acquisition, StarHub Group holds redeemable convertible preference shares ("RCPS") and has majority representation on the board of directors that together grant StarHub Group the ability to direct and declare profits from Strateq as discretionary dividends. Through the RCPS held by StarHub Group and together with certain collateralised arrangements extended by StarHub Group to the NCI, StarHub Group has rights to substantially all the variable returns of Strateq. Accordingly, StarHub Group's economic interest in Strateq is 88.3%.

StarHub Group also entered into an arrangement with the non-controlling shareholder of Nettilling to acquire the remaining 11.7% equity over a period of 4 years from 2025 for a consideration based on Strateq's average financial performance over the same period ("NCI Arrangement"). The undiscounted consideration for the NCI Arrangement was discounted at a risk-adjusted discount rate of 3.45%. Accordingly, the NCI Arrangement resulted in a forward liability of $33 million being recorded at the date of acquisition.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	2020 **$'m**
Total purchase consideration	100
Contingent consideration	(18)
Less: Cash and cash equivalents in subsidiary acquired (net of bank overdraft)	(8)
Net cash outflow on acquisition	74

The contingent consideration to be paid was derived based on a formula that is dependent on the aggregate revenue earned by Strateq from certain contracts in 2021. StarHub Group had included $18 million, as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition, using a risk-adjusted discount rate of 3.45%.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2020 **$'m**
Property, plant and equipment	6
Intangible assets	37
Right-of-use assets	20
Net current assets (excluding cash and cash equivalents)	20
Cash and cash equivalents	8
Current tax liabilities	(2)
Borrowings	(16)
Lease liabilities	(22)
Deferred tax liabilities	(6)
Total identifiable net assets	45

Measurement of fair values

Management has engaged external firms of specialists to perform the purchase price allocation, including valuation of the identified assets and liabilities. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (development expenditure)	*Relief from royalty method*: The relief from royalty method estimates the value of an intangible asset by calculating the present value of the royalty payments saved through owing the asset, as compared with licensing the asset from a third party *Reproduction cost method*: The reproduction cost estimates the value of an intangible asset by the cost that would be incurred to construct or purchase an exact replica of the subject asset.
Intangible assets (customer contracts and relationships)	*Multi-period excess earnings method*: The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Goodwill

Goodwill arising from the acquisition had been recognised as follows:

	2020 **S'm**
Total consideration transferred	100
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	5
Fair value of identifiable net assets	(45)
Provisional goodwill	60

In the prior year, the fair values of intangible assets had been determined provisionally pending completion of an independent valuation. During the year, the purchase price allocation was finalised and did not result in any material adjustments to provisional values.

41 Commitments

Operating lease commitments – as lessor

The Group has some contracts with customers which are classified as operating leases and colocation contracts that contain lease components. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021	**2020**
	S'm	**S'm**
Operating leases		
Less than one year	18	13
One to two years	19	14
Two to three years	18	14
Three to four years	17	13
Four to five years	15	12
More than five years	76	55
	163	121

Capital commitments

	Group	
	2021	**2020**
	S'm	**S'm**
Capital expenditure	1,087	990

42 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic operating subsidiaries. The strategic operating subsidiaries are managed separately by different boards of directors. For each of the strategic operating subsidiaries, the Group's executive director reviews internal management reports on at least a quarterly basis. The principal activities of these strategic operating subsidiaries are those relating to the operation and provision of telecommunications services, other businesses relating to the info-communication industry and provision of data centre co-location services.

Group	StarHub 2021 S'm	StarHub 2020 S'm	TeleChoice 2021 S'm	TeleChoice 2020 S'm	U Mobile 2021 S'm	U Mobile 2020 S'm	STT GDC 2021 S'm	STT GDC 2020 S'm	Others 2021 S'm	Others 2020 S'm	Eliminations 2021 S'm	Eliminations 2020 S'm	Unallocated 2021 S'm	Unallocated 2020 S'm	Consolidated 2021 S'm	Consolidated 2020 S'm
Revenue and expense																
External revenue	2,041	2,027	173	176	1,046	1,045	842	615	102	90	–	–	–	–	4,204	3,953
Inter-segment revenue	2	2	21	37	–	–	19	18	1	1	(43)	(58)	–	–	–	–
Total revenue	2,043	2,029	194	213	1,046	1,045	861	633	103	91	(43)	(58)	–	–	4,204	3,953
Represented by:																
Sale of equipment	431	440	106	116	78	53	–	–	–	–	(4)	(16)	–	–	611	593
Mobile revenue	532	580	2	3	968	992	–	–	–	–	(1)	(1)	–	–	1,501	1,574
Pay TV revenue	180	188	–	–	–	–	–	–	–	–	–	–	–	–	180	188
Broadband revenue	194	176	–	–	–	–	–	–	–	–	–	–	–	–	194	176
Enterprise fixed revenue	706	645	–	–	–	–	–	–	–	–	(1)	–	–	–	705	645
Data centres co-location services	–	–	–	–	–	–	861	633	–	–	(19)	(18)	–	–	842	615
e-Business solutions and consulting services	–	–	–	–	–	–	–	–	102	89	(1)	(1)	–	–	101	88
Maintenance and installation services	–	–	86	94	–	–	–	–	1	2	(17)	(22)	–	–	70	74
Total revenue	2,043	2,029	194	213	1,046	1,045	861	633	103	91	(43)	(58)	–	–	4,204	3,953
Segment profit/(loss) before tax	190	193	(3)	(5)	(22)	(130)	(95)	28	(65)	(42)	(7)	(1)	(9)	4	(11)	47
Income tax expense	(40)	(33)	–	–	24	135	–	3	–	–	–	–	–	(1)	(16)	104
Segment profit/(loss) after tax	150	160	(3)	(5)	2	5	(95)	31	(65)	(42)	(7)	(1)	(9)	3	(27)	151
Depreciation, amortisation and impairment	(279)	(307)	(5)	(6)	(295)	(370)	(242)	(177)	(8)	(7)	1	–	(1)	(1)	(829)	(868)
Finance income	4	2	–	–	40	6	43	2	3	2	–	–	2	9	92	21
Finance cost	(49)	(41)	(1)	(2)	(161)	(169)	(151)	(145)	(5)	(5)	105	101	(47)	(49)	(309)	(310)
Share of results of associates and joint ventures	2	–	–	–	–	–	(121)	(62)	(57)	(8)	–	–	–	–	(176)	(70)
Assets and liabilities																
Segment assets	3,716	3,416	115	116	2,278	2,430	5,488	4,576	538	463	(80)	(93)	1,254	927	13,309	11,835
Interests in associates and joint ventures	36	–	2	2	–	–	1,861	1,919	106	164	(26)	–	–	–	1,979	2,085
Total segment assets	3,752	3,416	117	118	2,278	2,430	7,349	6,495	644	627	(106)	(93)	1,254	927	15,288	13,920
Capital expenditure	182	198	1	1	247	224	887	734	1	1	–	–	–	–	1,318	1,158
Segment liabilities	2,547	2,305	59	55	2,423	2,579	4,525	3,912	116	88	(1,579)	(1,337)	1,382	1,401	9,473	9,003

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical locations of the primary place of operations of the investments.

	Group	
	2021	**2020**
	S'm	**S'm**
Revenue		
Singapore	2,301	2,280
Malaysia	1,144	1,100
United Kingdom	369	228
India	252	210
Others	138	135
	4,204	3,953
Non-current assets*		
Singapore	3,461	3,327
Malaysia	1,972	2,032
United Kingdom	2,382	2,031
People's Republic of China	1,823	1,871
United States	227	244
India	1,094	966
Others	41	59
	11,000	10,530

* *excludes financial instruments and deferred tax assets*

43 Subsequent events

Dividend to shareholder

The directors of the Company have proposed a final tax-exempt (one-tier) dividend totalling $27 million in respect of the financial year ended 31 December 2021. The dividend amount is in respect of the Series C RCPS as at 31 December 2021. This final dividend has not been recognised as at year end and will be submitted for shareholder's approval at the forthcoming Annual General Meeting of the Company in 2022.

Dividend from StarHub

In April 2022, StarHub declared a final dividend of $0.039 per share, tax-exempt (one-tier), totalling $68 million in respect of the financial year ended 31 December 2021. This final dividend has not been recognised as at year end. The final dividend is estimated to reduce the Group's cash and cash equivalents and non-controlling interests by approximately $30 million.

Acquisition of HKBN JOS (Singapore) Pte. Ltd. ("JOS SG") and HKBN JOS (Malaysia) Sdn. Bhd. ("JOS MY"), (collectively the "JOS Entities")

On 10 November 2021, StarHub Group announced its acquisition of a 60% majority stake in HKBN JOS (Singapore) Pte. Ltd. ("JOS SG") and HKBN JOS (Malaysia) Sdn. Bhd. ("JOS MY"). StarHub Group has completed the acquisition of 60% equity interest in the JOS Entities on 3 January 2022, for a total consideration of $13 million.

The business of JOS Entities is the provision of end-user computing, IT maintenance and IT infrastructure support services. The acquisition will allow StarHub Group to strengthen its ICT capabilities, enterprise solution offerings and customer footprint across Singapore and Malaysia, further accelerating the execution of StarHub Group's five-year DARE+ transformation strategy. In addition, the acquisition also allows StarHub Group to harvest cost synergies in fixed operating costs and improved supply chain.

The consideration for the acquisition of JOS Entities comprises an initial consideration of $4 million and deferred consideration of $9 million, subject to the finalisation of certain balance sheet items at the completion date. The fair values of intangible and other assets acquired have not been determined as an independent valuation is still on-going.

Acquisition of MR HoldCo's broadband business in Singapore

On 21 September 2021, SHOL entered into a share purchase agreement with MR GroupCo and MR HoldCo to acquire 50.1% majority interest in MR HoldCo's broadband business in Singapore. SHOL completed the acquisition on 21 March 2022 for a total consideration of up to $163 million. The acquisition will consolidate and strengthen StarHub's position in the Singapore broadband market, expanding its market presence to 40% and steering long-term business growth.

The consideration comprises an initial consideration of $71 million and contingent consideration of up to $92 million, calculated based on a formula depending on future performance against certain financial matrices. The fair values of intangible and other assets acquired have not been determined as an independent valuation is still on-going.

Purchase of GDS' convertible bonds

On 8 March 2022, GDS completed the private placement of US$620 million of convertible bonds which will mature on 8 March 2029. The Group subscribed for US$100 million (equivalent to $136 million) of the convertible bonds. The bond is convertible into ADSs at a conversion price of US$50 per ADS and bears interest of 0.25% per annum, payable semi-annually.

Acquisition of equity accounted investee company

On 2 March 2022, GDC Group entered into a share subscription agreement with third parties to acquire 40% equity interest in an equity accounted investee company, KarmanEdge Inc., which is in the business of developing and operating data centre facilities in the Philippines. The total estimated consideration is PHP6.5 billion (equivalent to $167 million), of which PHP5.0 billion (equivalent to $131 million) has been paid on 31 March 2022 and the remaining balance to be paid by 31 March 2023. The final consideration amount will be determined upon the finalisation of the equity accounted investee company's audited accounts as at 31 March 2022.

Drawdown of loan facilities

Subsequent to year end, GDC Group and U Mobile drew down $118 million and RM110 million (equivalent to $36 million) from their bank loan facilities respectively.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The information in this Appendix III has been extracted from the annual report of Singapore Technologies Telemedia Pte Ltd and its subsidiaries for the financial year ended 31 December 2022 and has not been specifically prepared for inclusion in this Information Memorandum.

Singapore Technologies Telemedia Pte Ltd
and its subsidiaries
Registration Number: 199500279W

Annual Report
Year ended 31 December 2022

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages FS1 to FS128 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 December 2022 and the financial performance and changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Teo Ek Tor	(Chairman)
Sio Tat Hiang	
Stephen Geoffrey Miller	
Lim Ming Seong	
Lim Ah Doo	
Liu Chee Ming	
Justin Weaver Lilley	
Vicente S. Perez, Jr.	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations		
Datameer, Inc.		
Stock option to purchase shares of the common stock, exercisable by 15.11.2027 at US$1.56 each		
Stephen Geoffrey Miller		
Held in trust for STT inTech Pte. Ltd.	1,146,953	1,146,953
Mapletree Logistics Trust Management Ltd.		
Unitholdings in Mapletree Logistics Trust		
Lim Ah Doo	215,200	215,200
Olam International Limited		
Ordinary shares		
Lim Ah Doo	305,600	N.A[(1)]
Olam Group Limited		
Ordinary Shares		
Lim Ah Doo	–	423,800
Singapore Technologies Engineering Ltd		
Ordinary shares		
Lim Ming Seong	8,336	8,336
Lim Ah Doo	99,900	112,300
Singapore Technologies Telemedia Pte Ltd ("ST Telemedia")		
5.00% Subordinated Perpetual Securities issued under ST Telemedia's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$1,500,000	S$1,500,000
Stephen Geoffrey Miller	S$250,000	S$250,000
ST Telemedia		
4.10% Subordinated Perpetual Securities issued under ST Telemedia's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$2,500,000	S$2,500,000

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations (Cont'd)		
ST Telemedia		
4.20% Subordinated Perpetual Securities issued under ST Telemedia's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$3,000,000	S$3,000,000
StarHub Ltd		
Ordinary shares		
Teo Ek Tor	285,138	307,838
Lim Ming Seong	268,636	291,136
- Held in the name of Citibank Nominees Singapore Pte Ltd	100,000	100,000
Stephen Geoffrey Miller	116,000	168,100
Liu Chee Ming	37,100	37,100
- Held in the name of HL Bank	191,584	191,584
STT GDC Pte. Ltd. ("STT GDC")		
3.59% Notes issued under STT GDC's S$1,500,000,000 Multicurrency Debt Issuance Programme		
Sio Tat Hiang	S$2,500,000	S$2,500,000
TeleChoice International Limited		
Ordinary shares		
Lim Ming Seong	60,000	60,000
Stephen Geoffrey Miller	251,000	351,000

(1) *Delisted on 16 March 2022.*

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the "Share Options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects 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.

Share options

StarHub Ltd ("StarHub")

StarHub has in place the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, "StarHub Share Plans", and each, "StarHub PSP 2014" and "StarHub RSP 2014" respectively). The StarHub Share Plans were approved and adopted at the Extraordinary General Meeting of StarHub ("StarHub EGM") held on 14 April 2014.

The StarHub Share Plans are administered by StarHub's Executive Resource and Compensation Committee ("StarHub ERCC") comprising three directors, namely Michelle Lee Guthrie, Lionel Yeo Hung Tong and Stephen Geoffrey Miller.

StarHub designates the Company as its parent company for purposes of StarHub Share Plans.

StarHub Share Plans

(i) The StarHub Share Plans were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for StarHub Group.

(ii) The following persons were/shall be eligible to participate in the StarHub Share Plans, respectively at the absolute discretion of StarHub ERCC:

  (1) employees (including executive directors) and non-executive directors of StarHub Group;

  (2) employees (including executive directors) and non-executive directors of StarHub's parent company and its subsidiaries ("StarHub Parent Group") who meet the relevant age and rank criteria and whose services have been seconded to a company within StarHub Group and who shall be regarded as an employee of StarHub Group for the purposes of the StarHub Share Plans; and

  (3) employees and non-executive directors of StarHub's associated companies, who in the opinion of StarHub ERCC, have contributed or will contribute to the success of StarHub Group.

(iii) Under the StarHub PSP 2014, awards of shares are granted on an annual basis, conditional on targets set for a performance period, currently prescribed to be a three-year period. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives.

  Awards are released once StarHub ERCC is satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period.

Since the commencement of the StarHub PSP 2014 to the financial year ended 31 December 2022, conditional awards aggregating 8,872,500 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.825 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) the performance of StarHub's Total Shareholders' Return ("StarHub's TSR") measured against the MSCI Asia-Pacific Telecommunications Index (including Japan) over the performance period, and (b) the Wealth Added which measures investment performance in terms of StarHub's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2017 to financial year ended 31 December 2018, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Returns on Invested Capital ("ROIC"), and (b) the Wealth Added which measures investment performance in terms of StarHub's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and after the financial year ended 31 December 2019, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Absolute StarHub's TSR against Cost of Equity hurdles (i.e. measure of Wealth added), and (b) the Relative StarHub's TSR against selected peers from the MSCI Asia Pacific Telecommunications Index, and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

Details of share awards granted under the StarHub PSP 2014 are as follows:

	Balance outstanding at 1 January '000	**Number of performance shares granted '000**	**Number of performance shares vested '000**	**Number of performance shares forfeited '000**	**Balance outstanding at 31 December '000**
2022					
Date of grant					
01.10.2019	1,206	–	(603)	(603)	–
28.12.2020	522	–	–	(89)	433
16.08.2021	1,726	–	–	(252)	1,474
10.06.2022	–	1,648	–	(90)	1,558
Total	3,454	1,648	(603)	(1,034)	3,465

(iv) Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related, after a further period of service beyond the performance period (performance-based restricted awards).

No minimum vesting periods are prescribed under the StarHub RSP 2014 and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the StarHub PSP 2014 in that an extended vesting period is imposed beyond the performance period.

The performance-based restricted awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets. The actual number of shares to be released depends on the level of attainment of the performance targets over the performance period.

For performance-based restricted awards granted prior to and during financial year ended 31 December 2016, the performance targets used were measured against the ROIC and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

For performance-based restricted awards granted during and from financial year ended 31 December 2017 to financial year ended 31 December 2018, the performance targets used were aligned to the overall strategic financial and operational goals of the Group.

For performance-based restricted awards granted during and from financial year ended 31 December 2019 onwards, the performance targets used are measured against the ROIC.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2022:

(1) performance-based restricted awards aggregating 23,110,350 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award, will be delivered if the stretch performance targets are met or exceeded. For share awards granted during and after the financial year ended 31 December 2017, no shares will be delivered if the threshold performance target are not achieved, while up to the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded;

(2) restricted awards aggregating 2,111,300 shares have been granted to non-executive directors of StarHub as part of their directors' remuneration, and were vested immediately upon grant;

(3) a time-based restricted award of 32,500 shares has been granted on 8 July 2015. The shares under this award were vested in two equal tranches over a 2-year period from 8 July 2015 to 7 July 2017 according to a specified vesting schedule;

(4) a time-based restricted award of 240,000 shares has been granted on 20 May 2016. The shares under this award were vested in two equal tranches over a period from 20 May 2016 to 7 July 2017 according to a specified vesting schedule;

(5) a time-based restricted award of 592,590 shares has been granted on 15 March 2017. The shares under this award were vested in two equal tranches over a period from 15 March 2017 to 15 January 2018;

(6) a time-based restricted award of 400,000 shares has been granted on 6 April 2017. The shares under this award were vested in three tranches over a 3-year period from 13 April 2018 to 15 April 2020; and

(7) a time-based restricted award of 118,700 shares has been granted on 7 September 2018. The shares under this award were vested in one tranche on 9 July 2019.

Share awards granted and vested during the financial year, and share awards outstanding at the end of the financial year, under the StarHub RSP 2014, are as follows:

Date of grant	Balance outstanding at 1 January 2022	Number of restricted shares granted	Number of restricted shares vested	Number of restricted shares forfeited	Balance outstanding at 31 December 2022
	'000	'000	'000	'000	'000
03.07.2019	473	–	(473)	–	–
01.10.2019	168	–	(146)	(22)	–
26.03.2020	1,487	–	(779)	(102)	606
31.03.2021	3,252	–	(1,109)	(240)	1,903
10.06.2022	–	4,147	–	(157)	3,990
Total	5,380	4,147	(2,507)	(521)	6,499

During the financial year, a total of 3,527,184 treasury shares of StarHub were transferred pursuant to the StarHub Share Plans.

As at 31 December 2022, no participant has been granted and/or received shares pursuant to the release of awards granted under the StarHub Share Plans, which, in aggregate, represents 5% or more of the aggregate of:

(a) the total number of new shares available under the StarHub Share Plans collectively; and

(b) the total number of existing shares delivered pursuant to awards released under the StarHub Share Plans collectively.

TeleChoice International Limited ("TeleChoice")

Long Term Incentive Plans

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "TeleChoice Plans"), were approved and adopted by TeleChoice's members at an Extraordinary General Meeting of TeleChoice held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Information regarding the TeleChoice Plans is set out below:

(i) The TeleChoice Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for TeleChoice.

(ii) The TeleChoice Plans are administered by TeleChoice's Remuneration Committee comprising three directors, namely Ronald Seah Lim Siang, Yeo Siew Chye Stephen and Stephen Geoffrey Miller (the "TeleChoice RC").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the TeleChoice Plans at the absolute discretion of the TeleChoice RC:

a) employees and non-executive directors of TeleChoice and/or any of its subsidiaries;

b) employees and non-executive directors of STT Communications Ltd ("STTC") and its subsidiaries, who may be seconded to render services and contribute to the success of TeleChoice Group; and

c) employees of associated companies of TeleChoice.

(iv) Controlling shareholders and associates of controlling shareholders of TeleChoice will not be eligible to participate in the TeleChoice Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. The vesting period of the awards granted under the TeleChoice Plans is between one to three years. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the TeleChoice RC is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vi) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the TeleChoice RC is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the TeleChoice RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(vii) Since the commencement of the TeleChoice Plans to the financial year ended 31 December 2022, conditional awards aggregating 56,506,810 (2021: 52,381,810) shares have been granted under the aforesaid TeleChoice Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. 643,000 shares under the TeleChoice Plans were released during the financial year ended 31 December 2022 (2021: nil).

(viii) During the financial year ended 31 December 2022, conditional awards aggregating 3,086,000 (2021: 2,690,000) shares have been granted under the TeleChoice Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. An aggregate 14,850,450 shares under the TeleChoice Plans were outstanding as at 31 December 2022 (2021: 12,625,150 shares).

(ix) During the financial year ended 31 December 2022, restricted share awards aggregating 1,039,000 (2021: 643,000) shares were also granted under the TeleChoice RSP. These share awards formed 30% (2021: 30%) of the payment of TeleChoice Directors' remuneration for the financial year ended 31 December 2021 (2021: 31 December 2020) to all of the TeleChoice Directors (other than Lim Chai Hock Clive) and were granted without any performance or vesting conditions attached, but subject to a selling moratorium and other terms and conditions.

(x) Since commencement of the TeleChoice Plans, no share awards were granted under the TeleChoice Plans at a discount.

Since the commencement of the TeleChoice Plans, no share awards have been granted to any participant who is a controlling shareholder of TeleChoice or an associate of such controlling shareholder of TeleChoice (save for Lim Chai Hock Clive, who was a controlling shareholder of TeleChoice until 26 December 2013, when he then became an associate of a controlling shareholder of TeleChoice). Lim Chai Hock Clive had informed TeleChoice and TeleChoice had in turn on 4 March 2019, announced that he had acquired all the shares of Leap International Pte Ltd ("Leap") from his daughter, Lim Shi, and is deemed to be interested in all the shares of TeleChoice that are held by Leap. The grant of the share awards to Lim Chai Hock Clive as part of his director's remuneration for the financial years ended 31 December 2013, 2014, 2015 and 2016 were approved and ratified by the independent members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Except as disclosed above, there were no options granted during the financial year by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Teo Ek Tor
Chairman

Stephen Geoffrey Miller
Director

8 May 2023

KPMG

Independent auditors' report

Member of the Company
Singapore Technologies Telemedia Pte Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Technologies Telemedia Pte Ltd ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flows statement of the Group and the income statement, statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS128.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and financial performance and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

KPMG

Valuation of goodwill

(Refer to note 2.8 – Accounting policies of impairment in non-financial assets and note 5 – Goodwill on consolidation)

The key audit matter	*How the matter was addressed in our audit*
At 31 December 2022, the carrying amount of the Group's goodwill amounted to $1,920 million or 12% of the Group's total assets. Goodwill is subject to an annual impairment test or more frequently if there are indicators of impairment. We focused mainly on the goodwill impairment assessments of the U Mobile, Starhub, Ensign, MR Broadband, Strateq, 2nd Watch and Datameer cash generating units due to the highly competitive environment of the communications and media services business and infrastructure technology business, which increases the level of estimation uncertainties within management's recoverable amounts. The determination of the recoverable amount requires judgement as it involves significant estimation uncertainties, including developing assumptions such as revenue growth rates, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margins, exit multiples, discount rates and terminal growth rates to be applied. In view of the financial significance of the goodwill, the level of judgement required to develop these assumptions and the business challenges faced by certain entities within the Group, impairment assessment of goodwill is a key audit matter. During the year, the Group recognised an impairment loss on goodwill of $46 million in the consolidated income statement.	Our procedures included, among others: • We assessed the reliability of the forecast by comparing the actual performance against previous forecasts. • We assessed the assumptions used in the recoverable amounts, including the revenue growth rates, EBITDA margin, exit multiples, discount rates and terminal growth rates by comparing them to externally derived data or historical performance where available. • We performed sensitivity or breakeven analyses on the key assumptions and analysed the impact to the recoverable amounts. • We assessed the adequacy of the related disclosures in the financial statements in describing the inherent degree of estimation uncertainty and key assumptions used.

Findings

We found the assumptions and inputs used by management to be supportable and/or within reasonable range. The related disclosures were appropriate.

Revenue recognition

(Refer to Income Statement and note 2.14 - Accounting policies of revenue recognition)

The key audit matter	*How the matter was addressed in our audit*
The Group derives its Mobile, Entertainment, Broadband, Enterprise Business revenue and sale of equipment mainly through its significant subsidiaries, StarHub Ltd and U Mobile Sdn. Bhd. Owing to the wide variety of products and services, different pricing models including varying rebates and discount schemes, and together with the complexities in telecommunication systems and significant volume of data processed, there is a risk that revenue may not be accurately recorded. IT systems and configurations, and business processes and controls are put in place to capture revenue correctly, and to deal with chases arising from new services and product offerings. The Group also relies on a combination of system automated controls and manual controls to ensure revenue recognition is appropriate. In view of the complexities described above, the basis of allocation of fair values to each performance obligation and the determination of the amount and timing of revenue to be recognised can be a highly judgemental process.	Our procedures included, among others: • We obtained an understanding of the nature of various revenue streams and the related revenue recording processes and controls. • We assessed the appropriateness of revenue recognition policies for products and services offered by the Group and the appropriateness of the performance obligations identified by management, the transaction price and basis of allocation of the transaction price within contracts. • We tested the design and implementation, and operating effectiveness of controls over the capture and recording of revenue. We also tested the relevant automated controls, including interface controls between different key IT applications systems. • We reviewed the basis of percentage of completion for selected projects and checked the accuracy of revenue recognised for these projects. • We tested key manual reconciliation controls and manual journal entries over revenue recognition used by management for certain revenue streams.

Findings

We found that there are processes in place to capture revenue for financial reporting.

KPMG

Acquisition of MyRepublic Broadband Pte. Ltd. ("MR Broadband")
(Refer to Note 2.2 'Significant accounting policies' and Note 39 'Business combinations')

The key audit matter	*How the matter was addressed in our audit*
During the year, the Group acquired 50.1% equity interest in MR Broadband. Subsequent to the acquisition, MR Broadband became a subsidiary of the Group. The total consideration of the acquisition amounted to $118 million, which includes a contingent consideration of $46 million. Management engaged external specialists to perform the purchase price allocation, and fair valued the identified assets and liabilities of MR Broadband. The accounting for a business acquisition requires the Group to determine the fair values of the identifiable assets acquired and liabilities assumed as part of the acquisition. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities, and the valuation of contingent consideration.	Our procedures included, among others: • We assessed the appropriateness of the classification of the investment and the economic interest held by the Group by examining the terms and conditions of the sale and purchase agreement and all associated agreements entered in connection with the transaction. • We assessed the accounting treatment for the recognition of and estimation of the fair value of the contingent consideration. • We considered the objectivity, independence and competency of management's external specialists, and the scope of their engagement. • Together with our valuation specialist, we discussed with management and their external specialists on the purchase price allocation to understand their basis of identifying and valuing the identified assets and liabilities. • We assessed the reasonableness of key assumptions used in the future cash flows, including revenue growth, gross profit margin and operating expenses by comparing them to historical results, market data and industry forecasts. • We considered the adequacy of disclosures for the acquisition.

Findings

We found the accounting treatment applied by the Group to be appropriate and complies with the relevant accounting standards, and the estimates used to allocate the purchase price to the assets acquired and liabilities assumed in the acquisition accounting and the determination of the contingent consideration to be reasonable.

We also found the Group's disclosures in the financial statements to be appropriate.

KPMG

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information contained in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' responsibilities for the audit of the financial statements

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

KPMG

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Low Gin Cheng, Gerald.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 May 2023

Balance sheets
As at 31 December 2022

	Note	Group 2022 $'m	Group 2021 $'m	Company 2022 $'m	Company 2021 $'m
Non-current assets					
Property, plant and equipment	3	5,109	5,001	–	–
Intangible assets	4	640	656	–	–
Goodwill on consolidation	5	1,920	1,943	–	–
Right-of-use assets	6	1,310	1,306	–	–
Interests in:					
- subsidiaries	7	–	–	4,140	4,140
- associates	8	1,603	1,920	–	–
- joint ventures	9	230	59	–	–
Other financial assets	10	272	236	–	–
Deferred tax assets	11	188	199	–	–
Contract assets	12	80	79	–	–
Contract costs	12	13	14	–	–
Other receivables, deposits and prepayments	16	218	69	–	–
Balances with related parties	17	64	65	451	451
		11,647	11,547	4,591	4,591
Current assets					
Inventories	13	87	70	–	–
Contract assets	12	396	356	–	–
Contract costs	12	23	30	–	–
Trade receivables	15	544	443	–	–
Other receivables, deposits and prepayments	16	415	417	–	–
Balances with related parties	17	24	21	1	1
Cash and cash equivalents	18	2,947	2,404	–	–
		4,436	3,741	1	1
Total assets		16,083	15,288	4,592	4,592

The accompanying notes form an integral part of these financial statements.

Balance sheets (cont'd)
As at 31 December 2022

	Note	Group 2022	Group 2021	Company 2022	Company 2021
		S'm	S'm	S'm	S'm
Equity attributable to equity holder of the Company					
Share capital	19	2,887	2,887	2,887	2,887
Perpetual securities	21	1,237	1,237	1,237	1,237
Reserves	20	911	753	16	16
		5,035	4,877	4,140	4,140
Non-controlling interests	22	1,275	938	–	–
Total equity		6,310	5,815	4,140	4,140
Non-current liabilities					
Contract liabilities	12	52	77	–	–
Bank and other borrowings	24	6,133	6,330	451	451
Deferred tax liabilities	11	147	114	–	–
Other non-current liabilities	26	458	453	–	–
		6,790	6,974	451	451
Current liabilities					
Contract liabilities	12	207	172	–	–
Trade payables		432	336	–	–
Other payables, accruals and provisions	27	1,548	1,453	1	1
Balances with related parties	17	56	21	–	–
Bank and other borrowings	24	704	459	–	–
Current tax payable		36	58	–	–
		2,983	2,499	1	1
Total liabilities		9,773	9,473	452	452
Total equity and liabilities		16,083	15,288	4,592	4,592

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 December 2022

	Note	Group 2022 $'m	Group 2021 $'m	Company 2022 $'m	Company 2021 $'m
Revenue					
Dividend income					
- subsidiaries		–	–	81	39
Sale of equipment		633	611	–	–
Mobile revenue		1,523	1,501	–	–
Entertainment revenue		216	180	–	–
Broadband revenue		242	194	–	–
Enterprise business revenue		864	705	–	–
Data centre co-location services		1,041	842	–	–
e-Business solutions and consulting services		123	101	–	–
Maintenance and installation services		85	70	–	–
	28	4,727	4,204	81	39
Less: Operating expenses					
Cost of equipment sold		586	574	–	–
Cost of telecommunication services		1,173	925	–	–
Cost of co-location services		338	262	–	–
Cost of cloud services		25	21		
Depreciation, amortisation and impairment		895	829	–	–
Marketing and promotion expenses		91	87	–	–
Staff costs		733	616	–	–
Rental expenses		12	20	–	–
Loss allowances		28	22	–	–
Other operating expenses		605	510	–	–
		4,486	3,866	–	–

The accompanying notes form an integral part of these financial statements.

Income statements (cont'd)
Year ended 31 December 2022

		Group		Company	
	Note	2022	2021	2022	2021
		$'m	$'m	$'m	$'m
Profit from operations	29	241	338	81	39
Finance costs	31	(347)	(309)	(18)	(18)
Finance income	32	34	92	18	18
Share of results of associates and joint ventures, net of tax	8,9	(134)	(176)	–	–
Other income	33	53	59	–	–
Other expenses	33	(164)	(15)	–	–
(Loss)/profit before taxation		(317)	(11)	81	39
Tax expense	34	(47)	(16)	–	–
(Loss)/profit for the year		(364)	(27)	81	39
Attributable to:					
Equity holder of the Company		(365)	(89)	81	39
Non-controlling interests		1	62	–	–
(Loss)/profit for the year		(364)	(27)	81	39

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 December 2022

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S'm	**S'm**	**S'm**	**S'm**
(Loss)/profit for the year	(364)	(27)	81	39
Other comprehensive income				
Items that will not be reclassified subsequently to income statement:				
Share of defined benefit plan remeasurements of associate	–	1	–	–
Net change in fair value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	(6)	(10)	–	–
Items that are or may be reclassified subsequently to income statement:				
Translation differences relating to:				
- financial statements of foreign operations	(144)	13	–	–
- monetary items forming part of net investments in foreign operations	(47)	(13)	–	–
Effective portion of changes in fair value of cash flow hedges, net of tax	77	27	–	–
Share of other comprehensive income of associates and joint ventures, net of tax	(189)	78	–	–
Realisation of reserve upon liquidation of foreign operation	–	(1)	–	–
Other comprehensive income for the year, net of tax	(309)	95	–	–
Total comprehensive income for the year	(673)	68	81	39
Attributable to:				
Equity holder of the Company	(662)	–	81	39
Non-controlling interests	(11)	68	–	–
Total comprchensive income for the year	(673)	68	81	39

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2022

Group	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
At 1 January 2021	2,534	737	(6)	(198)	(105)	(34)	(488)	1,636	4,076	841	4,917
Total comprehensive income for the year											
(Loss)/profit for the year	–	–	–	–	–	–	–	(89)	(89)	62	(27)
Other comprehensive income											
Translation differences relating to:											
- financial statements of foreign operations	–	–	–	8	–	–	–	–	8	5	13
- monetary items forming part of net investments in foreign operations	–	–	–	(13)	–	–	–	–	(13)	–	(13)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	20	–	–	20	7	27
Net change in fair value of financial assets at FVOCI	–	–	–	–	(4)	–	–	–	(4)	(6)	(10)
Share of other comprehensive income of associates and joint ventures, net of tax	–	–	–	78	–	–	–	1	79	–	79
Realisation of reserve upon liquidation of foreign operation	–	–	–	(1)	–	–	–	–	(1)	–	(1)
Total other comprehensive income, net of tax	–	–	–	72	(4)	20	–	1	89	6	95
Total comprehensive income for the year	–	–	–	72	(4)	20	–	(88)	–	68	68
Brought forward	2,534	737	(6)	(126)	(109)	(14)	(488)	1,548	4,076	909	4,985

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2022

Group	Note	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
Carried forward		2,534	737	(6)	(126)	(109)	(14)	(488)	1,548	4,076	909	4,985
Transactions with owners, recorded directly in equity												
Issuance of redeemable convertible preference shares	19	353	–	–	–	–	–	–	–	353	–	353
Issuance of perpetual securities	21	–	496	–	–	–	–	–	–	496	–	496
Accrued perpetual securities distribution		–	36	–	–	–	–	–	(39)	(3)	3	–
Perpetual securities distribution paid		–	(32)	–	–	–	–	–	1	(31)	(8)	(39)
Dividends to owner of the Company	20	–	–	–	–	–	–	–	(6)	(6)	–	(6)
Dividends to non-controlling interests of subsidiaries	20	–	–	–	–	–	–	–	–	–	(39)	(39)
Put option liability to acquire non-controlling interests		–	–	(1)	–	–	–	–	–	(1)	–	(1)
Share-based payment transactions		–	–	–	–	–	–	–	–	–	3	3
Share of capital reserve of an associate		–	–	(1)	–	–	–	–	–	(1)	–	(1)
Changes in ownership interests without a change of control		–	–	–	–	–	–	–	(6)	(6)	70	64
Total transactions with owners		353	500	(2)	–	–	–	–	(50)	801	29	830
At 31 December 2021		2,887	1,237	(8)	(126)	(109)	(14)	(488)	1,498	4,877	938	5,815

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2022

Group	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
At 1 January 2022	2,887	1,237	(8)	(126)	(109)	(14)	(488)	1,498	4,877	938	5,815
Total comprehensive income for the year											
(Loss)/profit for the year	–	–	–	–	–	–	–	(365)	(365)	1	(364)
Other comprehensive income											
Translation differences relating to:											
- financial statements of foreign operations	–	–	–	(146)	–	–	–	–	(146)	2	(144)
- monetary items forming part of net investments in foreign operations	–	–	–	(47)	–	–	–	–	(47)	–	(47)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	–	–	89	–	–	89	(12)	77
Net change in fair value of financial assets at FVOCI	–	–	–	–	(6)	–	–	–	(6)	–	(6)
Share of other comprehensive income of associates and joint ventures, net of tax	–	–	–	(187)	–	–	–	–	(187)	(2)	(189)
Total other comprehensive income, net of tax	–	–	–	(380)	(6)	89	–	–	(297)	(12)	(309)
Total comprehensive income for the year	–	–	–	(380)	(6)	89	–	(365)	(662)	(11)	(673)
Brought forward	2,887	1,237	(8)	(506)	(115)	75	(488)	1,133	4,215	927	5,142

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2022

Group	Note	Share capital S'm	Perpetual securities S'm	Capital reserve S'm	Currency translation reserve S'm	Fair value reserve S'm	Hedging reserve S'm	Goodwill written off S'm	Accumulated profits S'm	Total attributable to equity holder of the Company S'm	Non-controlling interests S'm	Total equity S'm
Carried forward		2,887	1,237	(8)	(506)	(115)	75	(488)	1,133	4,215	927	5,142
Transactions with owners, recorded directly in equity												
Accrued perpetual securities distribution		–	54	–	–	–	–	–	(57)	(3)	3	–
Perpetual securities distribution paid		–	(54)	–	–	–	–	–	–	(54)	(8)	(62)
Dividends to owner of the Company	20	–	–	–	–	–	–	–	(27)	(27)	–	(27)
Dividends to non-controlling interests of subsidiaries	20	–	–	–	–	–	–	–	–	–	(54)	(54)
Put option liability to acquire non-controlling interests		–	–	(19)	–	–	–	–	–	(19)	–	(19)
Share-based payment transactions		–	–	–	–	–	–	–	–	–	5	5
Acquisition of subsidiaries with non-controlling interests		–	–	–	–	–	–	–	–	–	29	29
Changes in ownership interests without a change of control		–	–	–	–	–	–	–	923	923	373	1,296
Total transactions with owners		–	–	(19)	–	–	–	–	839	820	348	1,168
At 31 December 2022		2,887	1,237	(27)	(506)	(115)	75	(488)	1,972	5,035	1,275	6,310

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2022

Company	Note	Share capital $'m	Perpetual securities $'m	Accumulated profits $'m	Total $'m
At 1 January 2021		2,534	737	19	3,290
Profit for the year/Total comprehensive income for the year		–	–	39	39
Transactions with owner, recorded directly in equity					
Issuance of redeemable convertible preference shares	21	353	–	–	353
Issuance of perpetual securities		–	496	–	496
Accrued perpetual securities distribution		–	36	(36)	–
Perpetual securities distribution paid		–	(32)	–	(32)
Dividends to owner	20	–	–	(6)	(6)
Total transactions with owner		353	500	(42)	811
At 31 December 2021		2,887	1,237	16	4,140
At 1 January 2022		2,887	1,237	16	4,140
Profit for the year/Total comprehensive income for the year		–	–	81	81
Transactions with owner, recorded directly in equity					
Accrued perpetual securities distribution		–	54	(54)	–
Perpetual securities distribution paid		–	(54)	–	(54)
Dividends to owner	20	–	–	(27)	(27)
Total transactions with owner		–	–	(81)	(81)
At 31 December 2022		2,887	1,237	16	4,140

The accompanying notes form an integral part of these financial statements.

Consolidated cash flow statement
Year ended 31 December 2022

	2022 S'm	2021 S'm
Cash flows from operating activities		
Loss for the year	(364)	(27)
Adjustments for:		
Fair value loss/(gain) on fair value through profit or loss financial assets	107	(34)
Fair value gain of forward liability to acquire non-controlling interest	(23)	–
Fair value gain on contingent consideration	(8)	–
Depreciation, amortisation and impairment	895	829
Impairment of goodwill	46	–
Gain on disposal of property, plant and equipment	(2)	–
Loss on dilution of interest in associate	5	15
Finance costs	347	309
Finance income	(34)	(92)
Share of results of associates and joint ventures, net of tax	134	176
Tax expense	47	16
Gain on liquidation of foreign operation	–	(1)
Equity-settled share-based payment transactions	5	3
Exchange differences from investing and financing activities	–	(3)
Provisions reversed	–	(20)
	1,155	1,171
Changes in:		
Balances due from related parties	(2)	3
Balances due to related parties	35	5
Inventories	(5)	28
Payables and accruals	166	(16)
Receivables, deposits and prepayments	(136)	(5)
Cash generated from operations	1,213	1,186
Income taxes paid	(64)	(84)
Net cash from operating activities	1,149	1,102

Consolidated cash flow statement (cont'd)
Year ended 31 December 2022

	Note	2022 S'm	2021 S'm
Cash flows used in investing activities			
Interest received		20	12
Acquisitions of subsidiaries, net of cash acquired	39	(52)	(18)
Purchase of intangible assets		(76)	(51)
Purchase of other financial assets		(153)	(25)
Purchase of property, plant and equipment		(1,007)	(1,120)
Proceeds from disposal of property, plant and equipment		6	4
Proceeds from disposal of share rights issued by equity investment		–	1
Repayment of loan from associate		–	6
Loan to external party	16(i)	–	(105)
Payment of contingent/deferred consideration		(31)	(6)
Payment for investments in associates and joint ventures		(147)	(7)
Net cash used in investing activities		(1,440)	(1,309)
Cash flows from financing activities			
Bank and borrowings:			
- proceeds		493	1,072
- repayment		(326)	(399)
Payment for spectrum licence		–	(96)
Purchase of interest from non-controlling interests		(29)	–
Proceeds from dilution of interests in a subsidiary		1,209	–
Purchase of treasury shares		(8)	(5)
Proceeds from issuance of perpetual securities, net of transaction costs	21	–	496
Proceeds from issuance of redeemable convertible preference shares	19	–	353
Distribution for perpetual securities of the Company		(54)	(32)
Distribution for perpetual securities of a subsidiary		(8)	(8)
Dividends paid to owner of the Company		(27)	(6)
Dividends paid to non-controlling interests of subsidiaries		(54)	(39)
Capital contribution from non-controlling interests		148	69
Payment for lease liabilities		(205)	(228)
Interest paid		(305)	(303)
Cash pledged as security		16	6
Net cash from financing activities		850	880
Net increase in cash and cash equivalents		559	673
Cash and cash equivalents at beginning of the year		2,381	1,708
Cash and cash equivalents at end of the year	18	2,940	2,381

Notes to the financial statements

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 8 May 2023.

1 Domicile and activities

Singapore Technologies Telemedia Pte Ltd (the "Company") is incorporated in the Republic of Singapore and has its registered office at 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192.

The Company is principally engaged in the provision of info-communications services and investment holding. Through its subsidiaries, associates and joint ventures, the Group offers a wide array of communications and information services, including fixed and mobile communications, global IP network and services, cable television services, data centre co-location, managed hosting and managed cloud services.

The immediate and ultimate holding company is Temasek Holdings (Private) Limited ("Temasek"), a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates and joint ventures.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s").

The historical cost basis is used except for certain financial assets and financial liabilities which are stated at fair value.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million, unless otherwise stated.

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge and judgement of current events and environment. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 24 – Lease term: whether the Group is reasonably certain to exercise extension options

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are as follows:

- Note 2.14 – Revenue recognition
- Note 5 – Assumptions of recoverable amounts relating to impairment of goodwill
- Note 39 – Business combinations

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Other than the amendment relating to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has adopted Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

The accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements, unless otherwise stated.

2.2 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the acquisition date, which is the date when control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I).

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisition from entities under common control

Acquisitions of subsidiaries from related corporations controlled by the ultimate holding company, Temasek, are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Equity-accounted investees

Associates are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Written put option or forward purchase agreements with non-controlling interests

When an entity within the Group writes a put option or enters into a forward purchase agreement with the non-controlling shareholders as part of the acquisition of a subsidiary, for settlement in cash or in another financial asset, a liability is recognised for the present value of the exercise price of the put option or of the forward price.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the liability is recognised against capital reserve within equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity (put option) and in the income statement (forward).

If the put option expires unexercised, then the put option liability is derecognised and reversed against equity. If the put option is exercised or when the forward is settled, then the charge to equity will be reversed and the financial liability will be derecognised.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an equity investment designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

Net investment in a foreign operation

When the settlement of a monetary item receivable or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income of the Group, and are presented in the currency translation reserve in equity.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of property, plant and equipment.

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the 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 and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is provided on the straight-line basis over their estimated useful lives as follows:

Freehold buildings	-	50 to 60 years
Freehold improvements	-	20 years
Buildings	-	shorter of remaining lease terms or 60 years
Building improvements	-	shorter of remaining lease terms or 20 years
Data centre equipment, network and telecommunication equipment and infrastructure	-	2 to 30 years
Office equipment, computers, and furniture and fittings	-	1 to 15 years
Motor vehicles	-	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date. The effect of any changes in estimate is accounted for on a prospective basis. Changes in the expected level of usage and technological developments could impact the useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

No depreciation is provided on freehold land and assets under construction.

2.5 Intangible assets

Goodwill

Goodwill arise on the acquisition of subsidiaries, associates and joint ventures.

Goodwill arising on the acquisition of subsidiaries is presented separately. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain (negative goodwill) is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in Note 2.8.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised in the income statement on a straight-line basis from the date they are available for use over their estimated useful lives as follows:

Telecommunications licences	-	over the period of the licences of 10 to 21 years
Software	-	2 to 20 years
Branding	-	10 to 20 years
Customer contracts and relationships	-	1 to 15 years

No amortisation is provided in respect of software in development.

Subsequent expenditure on capitalised intangible assets is added to the carrying amount only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the leases and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The Group classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. When the sublease is assessed as an operating lease, the Group recognises lease income from subleased property as 'revenue' on a straight-line basis over the term of the lease. The right-of-use asset relating to the head lease is not derecognised.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

2.7 Financial instruments

Non-derivative financial instruments

Recognition and initial measurement

Non-derivative financial instruments comprise equity investments, debt securities, trade and other receivables, deposits, cash and cash equivalents, contingent consideration, forward liability, trade and other payables, accruals, balances with related parties and bank and other borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfer substantially all the risks and rewards of ownership of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

Non-derivative financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on derecognition is recognised in the income statement.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On de-recognition, cumulative gains and losses recognised in other comprehensive income are transferred to accumulated profits.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in income statement. Directly attributable transaction costs are recognised in the income statement as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprise trade and other payables, accruals, balances with related parties, lease liabilities and bank and other borrowings.

Derivative financial instruments and hedging accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in income statement.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates - when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in other comprehensive income ("OCI") for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the income statement.

Equity

Ordinary shares are classified as equity. Preference shares and perpetual securities are classified as equity if it is non-redeemable, or redeemable only at the Company's option and any dividends are discretionary.

Incremental costs directly attributable to the issue of ordinary shares, preference shares and perpetual securities are recognised as a deduction from equity.

Financial guarantee

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.8 Impairment

Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all financial assets and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 360 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs in the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level within the Group at which goodwill is monitored for internal reporting purposes.

Impairment losses recognised in the income statement in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income statement.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance for obsolescence is made for all deteriorated, damaged, obsolete and slow-moving inventories.

2.10 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement in the periods during which related service are rendered by employees.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Any remeasurements are recognised as staff costs in income statement in the period in which they arise.

Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

Share Option Plans

The Share Option Plans allows Group employees to acquire shares of the subsidiaries. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

The Group has certain cash-settled share-based payment transactions. The fair value of the amount payable to the employees is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised in the income statement.

The Performance Share Plan and the Restricted Stock Plan are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in the income statement on a straight line basis over the vesting period. At each reporting date, the Group revises its estimates of the number of shares that the participating employees 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.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting date.

2.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Group makes provision for site decommissioning and restoration costs based on management's best estimate of the costs necessary to be incurred to decommission and restore the sites back to its original condition.

2.12 Deferred grants

Government grants received, which are designated for the purchase of property, plant and equipment, are accreted to the income statement on a straight-line basis over the estimated useful lives of the related assets, so as to match the related depreciation expense.

Government grants received, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the periods necessary to match the related cost which they are intended to compensate.

Other government grants are recognised in the income statement when there is reasonable assurance that the Group has complied with the attached conditions and the amount will be received.

2.13 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences at the reporting date arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

2.14 Revenue recognition

Revenue comprises fees earned from telecommunications services, managed services, system integration and solution projects, broadband access, pay TV, related advertising space, sale of equipment and provision of data centre co-location services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue is recognised in the income statement as follows:

- Revenue from bundled products and services is recognised either at a point in time or over time based on the standalone selling price ("SSP") allocated to the individual elements of the bundled products at contract inception. Judgement is required to determine whether products and services qualify as separate performance obligations. Transaction price is allocated in proportion to the estimated SSP for each performance obligation at the inception of the contract. Therefore, management estimates the SSP of each performance obligation, especially those goods or services that are not regularly offered separately to customers. The Group establishes SSP using observable price or in the case observable price is not available, using estimation techniques. The SSP of material right depends on the probability of exercise, which considers historical exercise patterns. Change or absence of SSP of a performance obligation affects the amount of consideration allocated to each performance obligation. Variable considerations are allocated solely to the service component of the contract since they relate specifically to the effort to satisfy the service performance obligation.

- Revenue from telecommunications, broadband and cable television services and advertising space is recognised over time when such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the balance sheet as contract liability.

- Revenue from managed services, system integration and solution projects are recognised based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, multiplied by the total estimated contract revenue. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones. The Group recognises a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the milestone payment is always less than one year.

- Revenue from sales of pre-paid phone cards for which services have not been rendered is deferred and presented in the balance sheet as contract liability. Revenue is recognised over time upon usage of the pre-paid phone cards and upon expiry, any unutilised value of the cards is taken to the income statement. Payment is due when the cards are delivered to customers.

- Revenue from sales of equipment is recognised at a point in time when control of the equipment has been transferred, being at the point of delivery and acceptance of the equipment sold. Delivery occurs when the goods have been shipped to the customer's specified location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. Payment is due when the equipment is delivered to customers.

- Revenue from data centre co-location services is recognised on a straight-line basis over the term of the contract. Revenue billed in advance of the rendering of services is deferred and presented in the balance sheet as contract liability.

- Revenue from digital financial services, including payment services, is recognised when services are rendered.

- Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Any difference between the revenue recognised in relation to the satisfied performance obligation and the amount of consideration received or receivable is presented either as contract asset or contract liability. Contract asset represents the Group's right to consideration, excluding any amount presented as trade receivable, in exchange for the goods or services transferred to customers. Contract liability, on the other hand represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

Variable consideration

Certain contracts with customers include variable considerations like right of return, trade discounts or rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and certain rebates. Under SFRS(I) 15, such provisions will be estimated at contract inception and at every reporting period, adjusted against revenue.

Material right

Under SFRS(I) 15, options to acquire additional goods or services represent separate performance obligations if they provide the customer a material right that the customer would not otherwise receive. In these cases, revenue from the contract is deferred and recognised when future goods and services are transferred or when the option expires. The transaction price is allocated to performance obligations (including the option) based on relative standalone selling prices.

Contract modification

Changes in scope or price (or both) of a contract that is approved by parties to the contract are contract modifications. SFRS(I) 15 prescribes the treatments of contract modifications depending on the attributes of the modification and the remaining goods and/or services.

Contract cost

SFRS(I) 15 requires the incremental costs of obtaining or fulfilling a contract to be recognised as an asset if the entity expects to recover those costs. Those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. The Group has applied the practical expedient, where the incremental costs of obtaining a contract is expensed if the associated amortisation period is 12 months or less.

2.15 Finance income and costs

Finance income comprises interest income on bank deposits, financial assets and loans to related parties. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense and similar charges. They are recognised in the income statement in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.16 Dividends

Dividends to the Company's shareholder are recognised in the financial year in which the dividends are approved by the shareholders.

2.17 New standards and amendments not adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. The adoption of these new requirements is not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

3 Property, plant and equipment

Group	Note	Freehold land, buildings and improvements $'m	Buildings and leasehold building improvements $'m	Data centre, network and tele-communication equipment and infrastructure $'m	Office equipment, computers and furniture and fittings $'m	Motor vehicles $'m	Assets under construction $'m	Total $'m
Cost								
At 1 January 2021		171	679	6,037	327	9	751	7,974
Translation difference		(1)	–	(29)	(2)	–	5	(27)
Additions		56	12	140	16	–	1,018	1,242
Transfers		34	201	941	25	–	(1,201)	–
Disposals/write-off		–	(8)	(712)	(12)	(1)	(3)	(736)
At 31 December 2021		260	884	6,377	354	8	570	8,453
Translation difference		(24)	(39)	(246)	(13)	–	(34)	(356)
Acquisition through business combinations	39	–	–	7	1	–	–	8
Additions		30	5	122	31	–	746	934
Transfers		–	103	566	17	–	(686)	–
Disposals/write-off		–	(1)	(151)	(39)	(1)	–	(192)
At 31 December 2022		266	952	6,675	351	7	596	8,847
Accumulated depreciation and impairment losses								
At 1 January 2021		8	112	3,286	242	6	1	3,655
Translation difference		–	–	(9)	(1)	–	–	(10)
Charge for the year		3	41	416	37	1	–	498
Disposals/write-off		–	(8)	(669)	(12)	(1)	(1)	(691)
At 31 December 2021		11	145	3,024	266	6	–	3,452

Group	Freehold land, buildings and improvements $'m	Buildings and leasehold building improvements $'m	Data centre, network and tele-communication equipment and infrastructure $'m	Office equipment, computers and furniture and fittings $'m	Motor vehicles $'m	Assets under construction $'m	Total $'m
Accumulated depreciation and impairment losses							
At 31 December 2021	11	145	3,024	266	6	–	3,452
Translation difference	–	(5)	(60)	(8)	–	–	(73)
Charge for the year	4	43	424	36	1	–	508
Impairment loss	–	–	25	–	–	14	39
Transfers	–	–	8	(8)	–	–	–
Disposals/write-off	–	(1)	(148)	(38)	(1)	–	(188)
At 31 December 2022	15	182	3,273	248	6	14	3,738
Carrying amounts							
At 1 January 2021	163	567	2,751	85	3	750	4,319
At 31 December 2021	249	739	3,353	88	2	570	5,001
At 31 December 2022	251	770	3,402	103	1	582	5,109

	Group 2022 $'m	Group 2021 $'m
Staff costs capitalised in assets under construction during the year	–	3
Borrowing costs capitalised in assets under construction during the year*	12	13

* *The capitalisation rate for the borrowing costs is 2.5% - 7.8% (2021: 0.3% - 7.6%).*

The shutdown of certain legacy network equipment and infrastructure as part of the ongoing DARE+ technology evolution to focus on the rollout of 5G Standalone network, has resulted in the Group recognising impairment loss of $39 million for the year ended 31 December 2022 (2021: nil). The impairment loss was recognised to reduce the carrying amounts of these affected assets to their recoverable amounts and was included in "depreciation, amortisation and impairment" in the consolidated income statement.

4 Intangible assets

Group	Note	Telecom-munications licences $'m	Software $'m	Software in development $'m	Branding $'m	Customer contracts and relationships $'m	Total $'m
Cost							
At 1 January 2021		723	889	14	41	295	1,962
Translation difference		(8)	(3)	–	–	1	(10)
Additions		–	10	66	–	–	76
Transfers		27	15	(42)	–	–	–
Disposals/write-off		–	(262)	–	–	–	(262)
At 31 December 2021		742	649	38	41	296	1,766
Translation difference		(24)	(12)	–	(1)	(16)	(53)
Additions		5	40	36	–	–	81
Acquisition through business combinations	39	–	–	–	14	50	64
Transfers		–	53	(53)	–	–	–
Disposals/write-off		–	(5)	–	–	(8)	(13)
At 31 December 2022		723	725	21	54	322	1,845
Accumulated amortisation and impairment losses							
At 1 January 2021		338	746	–	26	132	1,242
Translation difference		(3)	(3)	–	–	–	(6)
Charge for the year		48	51	–	4	33	136
Disposals/write-off		–	(262)	–	–	–	(262)
At 31 December 2021		383	532	–	30	165	1,110
Translation difference		(14)	(8)	–	(1)	(9)	(32)
Charge for the year		41	54	–	4	35	134
Impairment loss		–	6	–	–	–	6
Disposals/write-off		–	(5)	–	–	(8)	(13)
At 31 December 2022		410	579	–	33	183	1,205
Carrying amounts							
At 1 January 2021		385	143	14	15	163	720
At 31 December 2021		359	117	38	11	131	656
At 31 December 2022		313	146	21	21	139	640

5 Goodwill on consolidation

	Note	Group 2022 S'm	2021 S'm
Cost, less accumulated impairment			
At 1 January		1,943	1,924
Acquisitions through business combinations	39	99	20
Impairment loss		(46)	–
Translation difference		(76)	(1)
At 31 December		1,920	1,943

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified according to the country of operation of each subsidiary acquired, as follows:

	Group 2022 S'm	2021 S'm
Singapore	962	873
India	245	271
Malaysia	281	312
United Kingdom	323	354
United States	109	133
	1,920	1,943

The recoverable amount of a CGU is based on the greater of its fair value less costs to sell ("FVLCS") and its value-in-use ("VIU").

Singapore

For goodwill arising from the acquisitions of StarHub Ltd ("StarHub"), Ensign InfoSecurity Pte. Ltd ("Ensign"), D'Crypt Pte Ltd ("DPL") and MyRepublic Broadband ("MR Broadband"), the recoverable amounts of the CGUs were determined based on VIU.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts prepared by management.

Key assumptions used in the estimation of recoverable amounts are as follows:

- The cash flow projections within five years are based on management's assessment of future trends, taking into account actual past operating results. Where cash flow projections greater than five years are used, they reflect the long-term future performance of the CGU as it reaches a steady state of operations.

- Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects of uncertainties in the macroeconomic environment.

The VIUs were based on the following key assumptions:

	Pre-tax discount rate		Terminal growth rates	
	2022	**2021**	**2022**	**2021**
StarHub	6.4%	6.0%	–	–
DPL	14.3%	10.4%	2.5%	2.5%
Ensign	9.0%	9.0%	2.5%	2.5%
MR Broadband	11.3%	–	–	–

- The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital calculated using the Capital Asset Pricing Model.

- The terminal growth rates used in deriving the recoverable amounts reflect management's estimate of the long-term future performance of each CGU as it reaches a steady state of operations, and 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.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2022 (2021: nil).

As at 31 December 2022 and 2021, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below its carrying amount.

India

For goodwill allocated to the India CGU amounting to $245 million (2021: $271 million) arising from the acquisition of STT Global Data Centres India Private Limited ("STT India"), the recoverable amount of the CGU was based on VIU.

The VIU was determined by discounting future cash flows generated from the continuing use of the CGU and a terminal value using a long-term growth rate. The 6-year (2021: 6-year) cash flow projections were based on management's assessment of anticipated future trends and actual operating results. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	STT India	
	2022	**2021**
Pre-tax discount rate	13.3%	12.3%
Terminal value growth rate	6.0%	6.0%

The values assigned to the key assumptions represent management's assessment of developments in the data centre industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2022 (2021: nil).

Management has identified that a reasonably possible change in the above key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these assumptions would need to change individually for the recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount 2022
Pre-tax discount rate	0.8%
Terminal value growth rate	(1.0%)

In the prior year, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below the carrying amount.

Malaysia

For goodwill allocated to the Malaysia CGU amounting to $238 million (2021: $253 million) arising from the acquisition of U Mobile Sdn. Bhd. ("U Mobile"), the recoverable amount of the CGU was based on VIU.

U Mobile's VIU was determined by discounting estimated future cash flows generated from the continuing use of the CGU and a terminal value determined using an Enterprise to EBITDA exit multiple. The 3-year (2021: 4-year) cash flows projections were based on management's assessment of anticipated future trends and actual operating results for the year ended 31 December 2022. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	U Mobile	
	2022	**2021**
Pre-tax discount rate	12.7%	10.7%
Enterprise to EBITDA exit multiple	6.5	6.0

The values assigned to the key assumptions represent management's assessment of developments in the telecommunications industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2022 (2021: nil).

As at 31 December 2022 and 2021, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below its carrying amount.

For the goodwill of $40 million (2021: $59 million) arising from the acquisition of Strateq Sdn Bhd ("Strateq"), the recoverable amount of the CGU was determined based on VIU.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts prepared by management.

Key assumptions used in the estimation of recoverable amounts are as follows:

- The cash flow projections within five years are based on management's assessment of future trends, taking into account actual past operating results. Where cash flow projections greater than five years are used, they reflect the long-term future performance of the CGU as it reaches a steady state of operations.

- Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects of uncertainties in the macroeconomic environment.

The VIUs were based on the following key assumptions:

	Strateq	
	2022	**2021**
Pre-tax discount rate	16.4%	16.0%
Terminal value growth rate	–	–

- The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital calculated using the Capital Asset Pricing Model.

- The terminal growth rates used in deriving the recoverable amounts reflect management's estimate of the long-term future performance of each CGU as it reaches a steady state of operations, and 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.

In 2022, one business line in a subsidiary group of companies within Strateq CGU was discontinued to focus on growing other core businesses and develop other capabilities to generate the right returns and growth. Consequently, as at 31 December 2022, the carrying amount of the Strateq CGU was determined to be lower than its recoverable amount and an impairment loss of $15 million (2021: nil) was recognised. The impairment loss was fully allocated to goodwill and included in "other expenses" in the consolidated income statement. Following the impairment, the recoverable amount was equal to the carrying amount and any movement in a key assumption would lead to changes in carrying amount.

United Kingdom

For goodwill allocated to the United Kingdom CGU amounting to $323 million (2021: $354 million) arising from the acquisition of STT Virtus HoldCo Limited ("Virtus"), the recoverable amount of the CGU was based on FVLCS.

The Group was of the view that the recoverable amount, which was derived as part of the dilution of equity interest in Virtus (Note 39(ii)), was representative of Virtus's FVLCS, given the proximity of the date of disposal to the measurement date. In this context, the fair value measurement was categorised as a Level 3 fair value and the recoverable amount was assessed to be higher than the carrying amount as at 31 December 2022, and accordingly, no impairment was required in 2022.

In the prior year, the recoverable amount of Virtus was based on VIU. The VIU was determined by discounting future cash flows generated from the continuing use of the CGU and a terminal value using a long-term growth rate. The 5-year cash flow projections were based on management's assessment of anticipated future trends and actual operating results. The cash flow projections used in the impairment assessment of the CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

The VIU was based on the following key assumptions:

	Virtus 2021
Pre-tax discount rate	7.5%
Terminal value growth rate	2.0%

The values assigned to the key assumptions represent management's assessment of developments in the data centre industry and were based on both external sources and internal sources.

Based on the above assumptions, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2021.

As at 31 December 2021, a reasonable possible change to the key assumptions applied was not likely to cause the recoverable amount to be below the carrying amount.

United States

For goodwill amounting to $109 million (2021: $109 million) arising from the acquisition of 2nd Watch Holding Company, Inc. ("2nd Watch"), the recoverable amount of the CGU was based on FVLCS. The fair value measurement was based on the Enterprise Value to Revenue exit multiples of comparable companies and categorised as a Level 3 fair value. Based on the assessment performed, the recoverable amount was estimated to be higher than the carrying amount of the CGU, and no impairment was required in 2022 (2021: nil). In the prior year, the recoverable amount of the CGU was determined using FVLCS based on the valuation implied by recent round of financing.

For goodwill arising from the acquisition of Datameer, Inc. ("Datameer"), the recoverable amount was determined using FVLCS, taking into account various factors including the net liability position of the company and its overall business outlook. Based on the assessment performed, the recoverable amount was estimated to be lower than the carrying amount of the CGU and an impairment loss of $24 million (2021: nil) was recognised. The impairment loss was fully allocated to goodwill and included in "other expenses" in the consolidated income statement.

6 Right-of-use assets

The Group leases land and buildings and other network equipment and infrastructure. The leases typically run for a period of up to 60 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group and Company are lessees are presented below.

Group	Land and buildings S'm	Network equipment and infrastructure S'm	Total S'm
2022			
At 1 January	1,298	8	1,306
At 31 December	1,298	12	1,310
Additions and modifications to right-of-use assets	289	7	296
Acquisition through business combinations	2	6	8
Depreciation charge for the year	(200)	(8)	(208)
2021			
At 1 January	1,276	14	1,290
At 31 December	1,298	8	1,306
Additions and modifications to right-of-use assets	244	–	244
Depreciation charge for the year	(189)	(6)	(195)

7 Interests in subsidiaries

Details of significant subsidiaries are as follows:

	Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
	Held by the Company:			
	STT Communications Ltd ("STTC")	Singapore	100.0	100.0
	Held by STTC:			
	STT Communications (Shanghai) Co., Ltd	People's Republic of China	100.0	100.0
	STT inTech Pte. Ltd.	Singapore	100.0	100.0
	STT International Vietnam Pte. Ltd.	Singapore	100.0	100.0
	Asia Mobile Holding Company Pte. Ltd.	Singapore	100.0	100.0
	TeleChoice International Limited ("TeleChoice")	Singapore	50.6	50.5
(1)	STT Crossing Ltd	Mauritius	–	100.0
	Emerald Communications (Singapore) Pte. Ltd. ("ECS")	Singapore	100.0	100.0
	Straits Mobile Investments Pte. Ltd. ("Straits Mobile")	Singapore	100.0	100.0
	Sampaquita Communications Pte. Ltd.	Singapore	100.0	100.0
	STT GDC Pte. Ltd. ("STT GDC")	Singapore	100.0	100.0
	Held by Asia Mobile Holding Company Pte. Ltd.:			
	Asia Mobile Holdings Pte. Ltd. ("Asia Mobile Holdings")	Singapore	75.0	75.0
	AMHC I Pte. Ltd.	Singapore	100.0	100.0

Name of subsidiaries	**Country of incorporation/ Principal place of business**	**Effective equity held by the Group 2022 %**	**2021 %**
Held by Asia Mobile Holdings:			
StarHub	Singapore	41.9	41.9
Held by STT inTech Pte. Ltd.:			
ST Telemedia Cloud Pte. Ltd.	Singapore	100.0	100.0
STT Sonic Pte. Ltd.	Singapore	100.0	100.0
Datameer, Inc. ("Datameer")	USA	71.7	71.7
Armor Defense Asia Pte. Ltd.	Singapore	100.0	–
STT Connect Holdings Pte. Ltd.	Singapore	100.0	–
Held by ST Telemedia Cloud Pte. Ltd.:			
STT Connect Holdings Pte. Ltd.	Singapore	–	100.0
Cloud Comrade Pte. Ltd. ("Cloud Comrade")	Singapore	100.0(2)	61.9
CloudCover Pte. Ltd. ("CloudCover")	Singapore	100.0(2)	53.6
Held by Cloud Comrade:			
Cloud Comrade Sdn. Bhd.	Malaysia	100.0(2)	61.9
PT Cloud Comrade Indonesia	Indonesia	100.0(2)	62.1
Cloud Comrade Pty Ltd	Australia	100.0(2)	61.9
Held by CloudCover:			
CloudCover Limited	Hong Kong	100.0(2)	53.6
CloudCover Consultancy Private Limited	India	100.0(2)	53.6
Cldcvr LLC	USA	100.0(2)	53.6
Held by STT Sonic Pte. Ltd.:			
2nd Watch	USA	57.9	57.4

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
Held by 2nd Watch:			
2nd Watch, Inc.	USA	57.9	57.4
Held by 2nd Watch, Inc.:			
Aptitive LLC	USA	57.9	57.4
Held by Datameer:			
Datameer GmbH	Germany	71.7	71.7
Datameer UK Ltd	United Kingdom	71.7	71.7
Held by TeleChoice:			
N-Wave Technologies (Malaysia) Sdn Bhd	Malaysia	50.6	50.5
NexWave Technologies Pte Ltd	Singapore	50.6	50.5
NexWave Telecoms Pte. Ltd.	Singapore	50.6	50.5
Planet Telecoms (S) Pte Ltd	Singapore	50.6	50.5
Planet Telecoms Managed Services Sdn. Bhd.	Malaysia	50.6	50.5
S & I Systems Pte Ltd	Singapore	50.6	50.5
NxGen Communications Pte Ltd	Singapore	50.6	50.5
Planet Managed Services Pte. Ltd.	Singapore	50.6	50.5
Planet Smart Services Pte. Ltd.	Singapore	50.6	50.5
Held by NexWave Technologies Pte Ltd:			
PT NexWave	Indonesia	50.6	50.5
N-Wave Technologies Philippines, Inc.	Philippines	50.6	50.5

Name of subsidiaries	**Country of incorporation/ Principal place of business**	**Effective equity held by the Group**	
		2022	**2021**
		%	**%**
NexWave Technologies Vietnam Company Limited	Vietnam	50.6	50.5
Held by S & I Systems Pte Ltd:			
Sunway S&I Systems (Thailand) Ltd	Thailand	25.1	25.1
TeleChoice Technologies (Shanghai) Co. Ltd	China	50.6	50.5
Held by NxGen Communications Pte Ltd:			
NxGen Communications (M) Sdn Bhd	Malaysia	50.6	50.5
NxGen Inc.	Philippines	50.6	50.5
Held by StarHub:			
StarHub Mobile Pte Ltd ("StarHub Mobile")	Singapore	41.9	41.9
StarHub Cable Vision Ltd.	Singapore	41.9	41.9
StarHub Online Pte Ltd ("SHOL")	Singapore	41.9	41.9
Nucleus Connect Pte. Ltd.	Singapore	41.9	41.9
Ensign InfoSecurity Pte. Ltd.	Singapore	23.4	23.8
Malaren International Sdn. Bhd. ("Malaren")	Malaysia	41.9	41.9
JOS (SG) Pte. Ltd.	Singapore	25.2	–
Held by Ensign:			
Ensign InfoSecurity (Cybersecurity) Pte. Ltd. ("EIC")	Singapore	23.4[3]	23.8[3]
Keele Investments Pte. Ltd. ("Keele")	Singapore	23.4[3]	23.8[3]
Ensign InfoSecurity (Systems) Pte. Ltd.	Singapore	23.4[3]	23.8[3]

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group Name of subsidiaries 2022 %	2021 %
Held by EIC:			
Ensign InfoSecurity (Asia Pacific) Pte. Ltd. ("EIS Asia Pacific")	Singapore	23.4[(3)]	23.8[(3)]
Ensign InfoSecurity (SmartTech) Pte. Ltd.	Singapore	23.4[(3)]	23.8[(3)]
Ensign InfoSecurity (Networks) Pte. Ltd.	Singapore	23.4[(3)]	23.8[(3)]
Held by EIS Asia Pacific:			
Ensign InfoSecurity (Malaysia) Sdn Bhd	Malaysia	23.4[(3)]	23.8[(3)]
Ensign InfoSecurity (East Asia) Limited	People's Republic of China	23.4[(3)]	23.8[(3)]
Ensign InfoSecurity (Singapore) Pte. Ltd.	Singapore	23.4[(3)]	23.8[(3)]
Vectra Information Security Pte. Ltd.	Singapore	23.4[(3)]	23.8[(3)]
Held by Keele:			
D'Crypt Pte. Ltd.	Singapore	23.4[(3)]	23.8[(3)]
Held by Malaren:			
Nettilling Sdn. Bhd. ("Nettilling")	Malaysia	37.1[(4)]	37.0[(4)]
JOS (Malaysia) Sdn. Bhd.	Malaysia	25.2	–
Held by Nettilling:			
Taman Kenyir Holdings Sdn. Bhd. ("Taman Kenyir")	Malaysia	18.2[(4)]	18.1[(4)]
Held by Taman Kenyir:			
Strateq Sdn. Bhd.	Malaysia	18.2[(4)]	18.1[(4)]

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
Held by Strateq:			
Strateq Systems Sdn. Bhd. ("Strateq Systems")	Malaysia	18.2[4]	18.1[4]
Strateq (Singapore) Pte Ltd	Singapore	18.2[4]	18.1[4]
Strateq Oil & Gas Sdn Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Health Sdn Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Global Services Sdn. Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Business Solutions Sdn. Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Sentry Sdn. Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Capital Sdn. Bhd. ("Strateq Capital")	Malaysia	18.2[4]	18.1[4]
Held by Strateq Systems:			
Strateq Data Centre Sdn. Bhd.	Malaysia	18.2[4]	18.1[4]
Strateq Systems (Thailand) Co. Ltd	Thailand	18.2[4]	18.1[4]
Held by Strateq Capital:			
Strateq Health B.V. ("Strateq Health")	Netherlands	17.9[4]	17.8[4]
Held by Strateq Health:			
Strateq Health Inc	USA	17.9[4]	17.8[4]
Held by SHOL:			
MyRepublic Broadband Pte. Ltd.	Singapore	21.0	–
Held by Straits Mobile:			
U Mobile	Malaysia	49.0[5]	49.0[5]

Name of subsidiaries	**Country of incorporation/ Principal place of business**	**Effective equity held by the Group 2022 %**	**2021 %**
Held by U Mobile:			
U Mobile Services Sdn. Bhd.	Malaysia	49.0(5)	49.0(5)
U Mobile Multimedia Sdn. Bhd.	Malaysia	49.0(5)	49.0(5)
Held by STT GDC:			
STT APDC Pte. Ltd. ("STT APDC")	Singapore	100.0	100.0
STT UK DC Pte. Ltd. ("STT UKDC")	Singapore	100.0	100.0
STT India DC Pte. Ltd. ("STT IDC")	Singapore	100.0	100.0
STT Telemedia GDC Thailand Pte. Ltd. ("STT TDC")	Singapore	100.0	100.0
STT Korea DC Pte. Ltd. ("STT KDC")	Singapore	100.0	100.0
STT Indonesia DC Pte. Ltd. ("STT INDC")	Singapore	100.0	100.0
STT Japan DC Pte. Ltd. ("STT JDC")	Singapore	100.0	100.0
STT Philippines DC Inc. ("STT PHDC")	Republic of the Philippines	100.0	–
Held by STT APDC:			
STT Singapore DC Pte. Ltd. ("STT SDC")	Singapore	100.0	100.0
Shine Systems Assets Pte. Ltd. ("SSAPL")	Singapore	82.6	82.6
STT Defu 2 Pte. Ltd.	Singapore	100.0	100.0
STT Tai Seng Pte. Ltd.	Singapore	100.0	100.0
STT Defu 3 Pte. Ltd.	Singapore	100.0	100.0
STT West 1 Pte. Ltd.	Singapore	100.0	100.0
STT Loyang Pte. Ltd.	Singapore	100.0	100.0

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
Held by STT IDC:			
STT India	India	74.0	74.0
Held by STT UKDC:			
Virtus	Guernsey/ United Kingdom	60.0[6]	100.0
Held by STT INDC:			
STT GDC Indonesia JVCo Pte. Ltd. ("Indonesia JVCo")	Singapore	60.0	60.0
Held by Indonesia JVCo:			
STT GDC Indonesia SPV Pte. Ltd. ("Indonesia SPV")	Singapore	60.0	60.0
Held by Indonesia JVCo and Indonesia SPV:			
PT STT GDC Indonesia	Indonesia	60.0	60.0
Held by STT KDC:			
Everyshow Inc. ("Everyshow")	Republic of Korea	60.0	60.0
Held by STT JDC:			
STT GDC Japan K.K. ("GDC Japan")	Japan	100.0	–

(1) Struck off during the year

(2) Refer to Note 39(i).

(3) The Group controls these companies as 20% of the rights, benefits and interests in Ensign have been assigned to StarHub Ltd by the non-controlling shareholders of Ensign at the date of acquisition.

(4) Although the Group owns less than half of the voting rights, the Group controls these companies as it has the power to appoint the majority of the board of directors and is able to exercise control over their financial and operating policies.

(5) Although the Group owns less than half of the voting rights of U Mobile, the Group controls U Mobile as it has the power to appoint majority of the board of directors of U Mobile.

(6) Refer to Note 39(ii).

8 Interests in associates

Details of associates are as follows:

	Name of associates	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
	Held by Asia Mobile Holdings:			
	Shenington Investments Pte Ltd	Singapore	36.8	36.8
	Held by Shenington Investments Pte Ltd:			
(1)	Mfone Co., Ltd.	Cambodia	36.8	36.8
	Lao Telecommunications Company Limited	Lao People's Democratic Republic	18.0	18.0
	Held by STT GDC:			
	GDS Holdings Limited ("GDS")	Cayman Islands/ People's Republic of China	32.4	32.5
	Held by STT inTech Pte. Ltd.:			
	Armor Defense Inc. ("Armor")	USA	39.0	39.0
	Held by TeleChoice:			
	MVI Systems Limited	Hong Kong	14.9	14.9

(1) The company is currently under voluntary insolvency proceedings.

	2022 $'m	2021 $'m
Fair value of ownership interest *		
GDS	1,666	3,841

* *Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).*

GDS

GDS provides colocation, managed hosting and managed cloud services in China.

During the year, the Group's interest in GDS decreased from 32.5% to 32.4% (2021: 32.8% to 32.5%) due to the dilution of interest arising from the exercise of employee share options. The loss arising from the dilution of interest amounted to $5 million (2021: $15 million) and was included in "other expenses" in the consolidated income statement.

Armor

Armor provides cyber-security software in the United States.

In the prior year, the recoverable amount was determined to be lower than the carrying amount of the associate and an impairment loss of $16 million was recognised. The impairment loss has been included in the share of results of associates in the consolidated income statement.

The following table summarises the financial information of material associates for the financial year as included in their own (consolidated) financial statements prepared in accordance with SFRS(I)s, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these associates.

	Armor	**GDS**
	$'m	**$'m**
2022		
Revenue	71	1,910
Post-tax loss from continuing operations	(22)	(338)
Other comprehensive income	–	(467)
Total comprehensive income	(22)	(805)
Non-current assets	3	12,186
Current assets	34	2,320
Non-current liabilities	(43)	(7,778)
Current liabilities	(93)	(2,047)
Net assets	(99)[1]	4,681[2]
2021		
Revenue	66	1,632
Post-tax loss from continuing operations	(68)	(351)
Other comprehensive income	–	218
Total comprehensive income	(68)	(133)
Non-current assets	8	12,249
Current assets	16	3,101
Non-current liabilities	(22)	(7,226)
Current liabilities	(80)	(2,884)
Net assets	(78)[1]	5,240[2]

(1) *Includes balances of $13 million (2021: $12 million) that are not attributable to the Group*
(2) *Includes balances of $578 million (2021: $346 million) that are not attributable to the Group*

	GDS S'm	Armor S'm	Immaterial associates S'm	Total S'm
2022				
Group's interest in net assets of investees at beginning of the year	1,586	(34)	47	1,599
Group's share of:				
- Post-tax loss from continuing operations	(111)	(9)	(11)	(131)
- Other comprehensive income	(150)	–	(9)	(159)
- Total comprehensive income	(261)	(9)	(20)	(290)
Effect of Group's dilution of interest	(4)	–	–	(4)
Group's interest in net assets of investees at end of the year	1,321	(43)	27	1,305
Goodwill at the beginning of the year	237	84	–	321
Effect of Group's dilution of interest	(1)	–	–	(1)
Translation adjustment**	(22)	–	–	(22)
Goodwill at the end of the year	214	84	–	298
Carrying amount of interest in investees at end of the year	1,535	41	27	1,603
2021				
Group's interest in net assets of investees at beginning of the year	1,643	(7)	58	1,694
Group's share of:				
- Post-tax loss from continuing operations	(114)	(27)	(12)	(153)
- Other comprehensive income	71	–	1	72
- Total comprehensive income	(43)	(27)	(11)	(81)
Group's share of capital reserves	(1)	–	–	(1)
Effect of Group's dilution of interest	(13)	–	–	(13)
Group's interest in net assets of investees at end of the year	1,586	(34)	47	1,599
Goodwill at the beginning of the year	228	100	–	328
Effect of Group's dilution of interest	(2)	–	–	(2)
Impairment loss*	–	(16)	–	(16)
Translation adjustment**	11	–	–	11
Goodwill at the end of the year	237	84	–	321
Carrying amount of interest in investees at end of the year	1,823	50	47	1,920

* *Included in share of results of associates*
** *Included in share of other comprehensive income of associates*

9 Interests in joint ventures

Details of joint ventures are as follows:

	Country of incorporation/ Principal place of business	Effective equity held by the Group 2022 %	2021 %
Held by STTC:			
Grid Communications Pte. Ltd. ("GRID")	Singapore	50.0	50.0
Held by STT TDC:			
STT GDC (Thailand) Company Limited ("STT GDC (Thailand)") [(1)]	Thailand	49.0	49.0
Held by STT PHDC:			
Globe STT GDC, Inc. ("Globe STT GDC") (formerly known as KarmanEdge Inc.) [(2)]	Republic of the Philippines	40.0	–
Held by StarHub Mobile:			
Antina Pte. Ltd. ("Antina")	Singapore	21.0	20.9

[(1)] *Although the Group holds 49% interest in STT GDC (Thailand), decisions about relevant activities that significantly affect the returns that are generated require agreement of all parties to the arrangement. It is therefore determined that the Group participates in joint control.*

[(2)] *Although the Group holds 40% interest in Globe STT GDC, decisions about relevant activities that significantly affect the returns that are generated require agreement of all parties to the arrangement. It is therefore determined that the Group participates in joint control.*

STT GDC (Thailand)

In accordance with the joint venture agreement, the Group and its joint venture partner have agreed to make additional contributions in proportion to their interests to fund the construction of a data centre in Thailand. The Group's share of the capital commitments of the joint venture as at 31 December 2022 was $13 million (2021: $20 million). These commitments have not been recognised in the Group's consolidated financial statements.

Globe STT GDC

In March 2022, the Group acquired 40% equity interest in Globe STT GDC, which is in the business of developing and operating data centre facilities in the Philippines. The total consideration is PHP6.5 billion (equivalent to $164 million), of which PHP5.1 billion (equivalent to $129 million) has been paid on 31 March 2022 and the remaining balance to be paid by 31 March 2023.

Antina

On 3 September 2020, StarHub Mobile and M1 Limited, jointly incorporated a joint venture company, Antina Pte. Ltd., to develop, deploy and operate a 5G mobile network in Singapore. The Group has funding commitments to the joint venture of approximately $1 million (2021: $2 million) over a period of 3 years (2021: 4 years). These commitments have not been recognised in the Group's consolidated financial statements.

The following table summarises, in aggregate, the carrying amount and share of profit and other comprehensive income of the joint ventures that are accounted for using the equity method.

	STT GDC (Thailand) S'm	Globe STT GDC S'm	GRID S'm	Antina S'm	Total S'm
2022					
Group's interest in net assets of investees at beginning of the year	38	–	11	10	59
Group's share of post-tax (loss)/ profit from continuing operations	(6)	4	(1)	4	1
Group's contribution during the year	17	96	–	1	114
Impairment loss*	–	–	(4)	–	(4)
Translation adjustment**	(3)	(3)	–	–	(6)
Group's interest in net assets of joint ventures at end of the year	46	97	6	15	164
Goodwill at the beginning of the year	–	–	–	–	–
Goodwill acquired during the year	–	68	–	–	68
Translation adjustment**	–	(2)	–	–	(2)
Goodwill at the end of the year	–	66	–	–	66
Carrying amount of interest in investees at end of the year	46	163	6	15	230
2021					
Group's interest in net assets of investees at beginning of the year	47	–	14	2	63
Group's share of post-tax (loss)/profit from continuing operations	(5)	–	(3)	1	(7)
Group's contribution during the year	–	–	–	7	7
Translation adjustment**	(4)	–	–	–	(4)
Carrying amount of interest in investees at end of the year	38	–	11	10	59

* *Included in share of results of joint ventures*
** *Included in share of other comprehensive income of joint ventures*

10 Other financial assets

	Group	
	2022	2021
	S'm	S'm
Non-current		
Unquoted:		
- Equity investments at FVOCI	70	75
- Debt investments mandatorily at FVTPL	138	13
- Equity investments mandatorily at FVTPL	59	142
Quoted:		
- Equity investments at FVOCI	5	6
	272	236

11 Deferred tax assets and liabilities

Movements in deferred tax assets/(liabilities) during the year are as follows:

Group	At 1 January 2021 S'm	Recognised in income statement (Note 34) S'm Restated*	Translation adjustments S'm	Change in tax rate S'm	At 31 December 2021 S'm Restated*	Recognised in income statement (Note 34) S'm	Translation adjustments S'm	Recognised in other comprehensive income S'm	Acquisition through business combinations S'm	Change in tax rate (Note 34) S'm	At 31 December 2022 S'm
Property, plant and equipment, intangibles, ROU assets, leases	(227)	(6)	1	(2)	(234)	(19)	8	–	(11)	(1)	(257)
Provisions and accruals	78	54	(1)	–	131	(12)	(7)	–	–	–	112
Employee benefits	2	1	–	–	3	(1)	–	–	–	–	2
Tax losses and capital allowances carry forward	162	18	(3)	4	181	40	(11)	–	–	1	211
Other items	31	(25)	–	(2)	4	(17)	–	(15)	–	1	(27)
Total	46	42	(3)	–	85	(9)	(10)	(15)	(11)	1	41

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	Group	
	2022	**2021**
	\$'m	**\$'m**
Deferred tax assets	188	199
Deferred tax liabilities	(147)	(114)

Deferred tax assets on the following deductible temporary differences have not been recognised:

	Group	
	2022	**2021**
	\$'m	**\$'m**
Deductible temporary differences*	251	301
Unutilised tax losses and tax incentives*	336	421
	587	722

* These balances have been restated based on latest tax returns. The restatement has no impact on the statement of financial position and consolidated statement of comprehensive income.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

Unutilised tax losses for which no deferred tax asset has been recognised of \$145 million (2021: \$253 million) relating to operations in Malaysia can be carried forward up to years ranging from 2028 to 2031 under the current tax legislation of Malaysia subject to no substantial changes to the Malaysia Income Tax Act 1967 and guidelines issued by the Ministry of Finance of Malaysia. Unabsorbed capital allowances do not expire under the current Malaysia tax legislation.

12 Contract balances

The following section provides information about contract assets, contract liabilities and contract costs from contracts with customers.

Contract assets

	Group	
	2022	**2021**
	\$'m	**\$'m**
Contract assets	481	441
Loss allowance	(5)	(6)
	476	435

	Group	
	2022	**2021**
	$'m	**$'m**
Analysed as:		
Third parties	473	434
Related parties	3	1
	476	435
Non-current	80	79
Current	396	356
	476	435

The contract assets primarily relate to the Group's rights to consideration for goods and services provided and work completed on data centre co-location services, network engineering projects and info-communication technology projects but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

Movements in the contract asset balances during the year are as follows:

	Group	
	2022	**2021**
	$'m	**$'m**
At 1 January	441	472
Prior year contract assets reclassified to trade receivables	(308)	(284)
Contract assets recognised, net of reclassification to trade receivables	336	271
Additions through business combinations	12	–
Contract asset written off	(2)	–
Others	2	(18)
	481	441
Loss allowance	(5)	(6)
At 31 December	476	435

The Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, the Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on the Group's view of economic conditions over the remaining lifetime of future performance obligations.

Movements in loss allowance balances during the year are as follows:

	Group	
	2022	**2021**
	$'m	**$'m**
At 1 January	6	6
Loss allowance recognised	8	12
Allowance utilised	(9)	(12)
At 31 December	5	6

Contract liabilities

Contract liabilities primarily relate to amounts billed in advance for telecommunications, broadband and pay TV services, excess of progress payments over the revenue recognised for managed services, advance consideration received from customers for prepaid mobile services, upfront installation fees and maintenance services.

	Group	
	2022	**2021**
	$'m	**$'m**
Managed services contracts	39	18
Amounts billed in advance for telecommunications, broadband and pay TV services	88	61
Amounts received in advance for:		
- Prepaid mobile services	86	92
- Upfront installation fees	39	74
- Maintenance services	7	4
	259	249
Third parties	250	241
Related parties	9	8
	259	249
Non-current	52	77
Current	207	172
	259	249

Movements in the contract liabilities balances during the year are as follows:

	Group	
	2022	**2021**
	$'m	**$'m**
At 1 January	249	226
Revenue recognised that was included in the contract liability balance at the beginning of the year	(163)	(150)
Increase due to cash received, excluding amounts recognised as revenue during the year	96	116
Increase due to billings in advance, excluding amounts recognised as revenue during the year	76	60
Acquisition through business combinations	7	–
Translation adjustments	(6)	(3)
At 31 December	259	249

Contract costs

Costs to obtain contracts relate to commission fees paid to dealers as a result of obtaining mobile, pay TV and broadband service contracts, and success-based sales commissions to employees and external parties for securing long-term sales contracts. Costs to fulfil contracts relate to costs of materials which generate or enhance resources that will be used in satisfying future performance obligations.

These costs are amortised on a straight-line basis over the contract period. In 2022, amortisation amounting to $150 million (2021: $186 million) was recognised in the consolidated income statement. There was no loss allowance in relation to the costs capitalised.

	Group	
	2022	2021
	$'m	$'m
Cost to obtain contracts	10	22
Cost to fulfil contracts	26	22
	36	44
Current	23	30
Non-current	13	14
	36	44

13 Inventories

	Group	
	2022	2021
	$'m	$'m
Materials and components	3	11
Inventories held for resale		
- at cost	81	57
- at net realisable value	3	2
	87	70

14 Financial assets at amortised cost

	Note	Group		Company	
		2022	2021	2022	2021
		$'m	$'m	$'m	$'m
Trade receivables	15	544	443	–	–
Other receivables and deposits	16	250	276	–	–
Balances with related parties	17	88	86	452	452
Cash and cash equivalents	18	2,947	2,404	–	–
		3,829	3,209	452	452

15 Trade receivables

	Note	Group 2022 S$'m	Group 2021 S$'m
Trade receivables		626	515
Loss allowance		(82)	(72)
	14	544	443

The Group's primary exposure to credit risk arises through its trade receivables, which include corporate and retail customers. The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The Group uses an allowance matrix to measure the ECL of trade receivables. In the assessment of ECL, the Group applies the simplified approach and uses the practical expedient to estimate the impairment allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The movements in ECL balances during the year are as follows:

	Group 2022 S$'m	Group 2021 S$'m
At 1 January	72	78
Loss allowances recognised	20	9
Allowance utilised	(9)	(15)
Translation adjustment	(1)	–
At 31 December	82	72

16 Other receivables, deposits and prepayments

	Note	Group 2022 S$'m	Group 2021 S$'m
Other receivables		125	103
Loan receivable		74	105
Deposits		51	68
	14	250	276
Grants receivables		11	7
Prepayments		226	123
Tax advances		17	34
Others		40	22
Derivative assets	25	89	24
		633	486

	Note	Group 2022 S'm	Group 2021 S'm
Current		415	417
Non-current		218	69
		633	486

On 22 September 2021, SHOL entered into a share purchase agreement with MyRepublic Group Limited ("MR GroupCo") and MyRepublic Holdings Ltd ("MR HoldCo") to acquire a majority interest in MR HoldCo's broadband business in Singapore.

Concurrent with the entry of the share purchase agreement, SHOL extended a $105 million loan to MR HoldCo for the repayment of MR HoldCo's existing debts. The loan, being interest bearing, was secured over certain assets of MR GroupCo and repayable within one year.

During the year, the Group completed the acquisition of 50.1% equity interest in MyRepublic Broadband Pte. Ltd. ("MR Broadband") for a total consideration of $118 million, of which $31 million was settled by way of offset against the $105 million loan to MR HoldCo (see Note 39(v)). Concurrently, the remaining $74 million loan to MR HoldCo was re-financed through an extension of a new loan from SHOL for a period of three years. The new loan, being interest bearing and secured over certain assets of MR GroupCo, is considered to be of low credit risk.

17 Balances with related parties

	Note	Group 2022 S'm	Group 2021 S'm	Company 2022 S'm	Company 2021 S'm
Assets					
Non-current					
Subsidiary					
- Interest-bearing loan	(i)	–	–	451	451
Associate					
- Interest-bearing loans	(ii)	64	65	–	–
		64	65	451	451
Current					
Subsidiary					
- Current account		–	–	1	1
Associates					
- Interest-bearing loan	(ii)	4	4	–	–
- Current account		6	5	–	–
Related corporations					
- Current account		14	12	–	–
		24	21	1	1
	14	88	86	452	452

	Note	Group 2022 $'m	Group 2021 $'m	Company 2022 $'m	Company 2021 $'m
Liabilities					
Current					
Associates					
- Current account		4	1	–	–
Joint venture					
- Current account		10	–	–	–
Related corporations					
- Current account		42	20	–	–
	23	56	21	–	–

(i) The non-current interest-bearing loan to a subsidiary is unsecured, bear interest at 4.05% and is repayable in December 2025.

(ii) The loans due from an associate amounting to $68 million (2021: $69 million) are unsecured and bear interest at LIBOR + 3.00% per annum. An amount of $4 million (2021: $4 million) is classified as current as it is expected to be repaid within the next twelve months. The remaining amount of $64 million (2021: $65 million) is classified as non-current as it is not expected to be repaid within the next twelve months.

All the other balances with related parties are unsecured, interest-free and repayable on demand.

18 Cash and cash equivalents

	Note	Group 2022 $'m	Group 2021 $'m
Fixed deposits with financial institutions		2,214	1,545
Cash at banks and in hand		733	859
Cash and cash equivalents in the balance sheet	14	2,947	2,404
Cash collateral placed with financial institutions		(7)	(23)
Cash and cash equivalents for purposes of the consolidated cash flow statement		2,940	2,381

As at 31 December 2022, the Group has cash and bank balances totalling $69 million (2021: $65 million) which are held in countries with foreign exchange controls.

Cash and cash equivalents totalling $592 million (2021: $868 million) are held in the Group's various publicly-listed subsidiaries which operate under stock exchange regulations which impose restrictions and conditions on related party transactions, including the transfers of cash and the granting of loans to other subsidiaries in the Group.

Cash collateral placed with financial institutions totalling $7 million (2021: $23 million) are pledged as securities for bank guarantee facilities granted to subsidiaries, and therefore restricted from use in other operations.

19 Share capital – Group and Company

	2022		2021	
	No. of shares '000	S'm	No. of shares '000	S'm
Issued and fully paid at 1 January and 31 December:				
Ordinary shares	1,467,210	1,805	1,467,210	1,805
Series A redeemable convertible preference shares ("RCPS")	287	287	287	287
Series B RCPS	1	80	1	80
Series C RCPS	715,000	715	715,000	715
		2,887		2,887

The holders of ordinary shares are entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Series A RCPS are redeemable at the option of the Company by way of cash or by way of issuance of ordinary shares or a combination of cash and ordinary shares. The Series B RCPS are redeemable at the option of the Company by way of cash. Dividends are non-cumulative and determined at rates to be fixed by the Company from time to time at its absolute discretion. Series A and Series B RCPS do not carry voting rights. The holders of the RCPS are to receive preferential return of accrued dividends and redemption amount equal to the issue price of the RCPS at the Company's discretion.

In 2020, the Company entered into a subscription agreement with Everitt Investments Pte. Ltd. ("Everitt"), a wholly-owned subsidiary of Temasek, for the subscription by Everitt of up to 750 million Series C RCPS at an issue price of $1 per RCPS. Dividends are cumulative at a rate of 4% per annum, payable annually, subject to the Company's discretion. The Series C RCPS are redeemable at the option of the Company by way of cash at a redemption amount equal to the issue price plus any outstanding accrued cumulative dividends and applicable redemption dividend subject to the Company's discretion.

20 Reserves

	Group		Company	
	2022 S'm	2021 S'm	2022 S'm	2021 S'm
Capital reserve	(27)	(8)	–	–
Currency translation reserve	(506)	(126)	–	–
Fair value reserve	(115)	(109)	–	–
Hedging reserve	75	(14)	–	–
Goodwill written off	(488)	(488)	–	–
Accumulated profits	1,972	1,498	16	16
	911	753	16	16

The capital reserve of the Group arises from bonus issues of shares by a subsidiary, the recognition of the present value of the exercise price of put options or forward price of forward purchase agreements with non-controlling shareholders of subsidiaries and the Group's share of an associate's capital reserves.

The currency translation reserve of the Group comprises:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;

(b) foreign exchange differences arising from the translation of monetary items forming part of the Group's net investment in foreign operations; and

(c) the Group's share of foreign exchange differences arising from the translation of the financial statements of associates and joint ventures whose functional currencies are different from the functional currency of the Company.

The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at FVOCI until the investment is derecognised.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected the income statement.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of share options net of the reclassification to liability on modification of share option plans from equity-settled to cash-settled.

Goodwill written off comprises goodwill arising prior to 1 January 2001 on the consolidation of subsidiaries.

Dividends

The following tax-exempt (one-tier) dividends were declared and paid by the Group:

	2022 S'm	2021 S'm
Group		
Paid by subsidiaries to non-controlling interests		
Final dividend of $0.039 (2021: $0.025) per share paid in respect of the previous financial year	30	19
Interim dividend of $0.025 (2021: $0.025) per share paid in respect of year ended 31 December	19	19
Interim dividend of $2.504 (2021: nil) per share paid in respect of year ended 31 December	5	–
Final dividend of $0.00125 (2021: $0.005) per share paid in respect of year ended 31 December	–	1
	54	39

The following tax-exempt (one-tier) dividends were declared and paid by the Company:

	2022 S'm	2021 S'm
Company		
Paid by the Company to owner of the Company		
Interim dividend of $0.0378 (2021: $0.0173) per qualifying Series C RCPS in respect of the previous financial year	27	6

21 Perpetual securities

The Company's perpetual securities are presented within equity, with discretionary distributions recognised as equity distributions. As at 31 December 2022, the aggregate principal amounts of the perpetual securities amounted to $1,225 million (2021: $1,225 million) comprising:

(a) *$350 million principal amount (5.00% perpetual securities)*

In January 2019, the Company issued subordinated perpetual securities with an aggregate principal amount of $350 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from January 2024. Distributions are cumulative at a rate of 5.00% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions. During the year, distributions amounting to $18 million (2021: $17 million) were paid.

(b) *$375 million principal amount (4.10% perpetual securities)*

In July 2020, the Company issued subordinated perpetual securities with an aggregate principal amount of $375 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from July 2027. Distributions are cumulative at a rate of 4.10% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions. During the year, distributions amounting to $15 million (2021: $15 million) were paid.

(c) *$500 million principal amount (4.20% perpetual securities)*

In November 2021, the Company issued subordinated perpetual securities with an aggregate principal amount of $500 million. The perpetual securities do not have a maturity date and are redeemable at the option of the Company from May 2029. Distributions are cumulative at a rate of 4.20% per annum, payable semi-annually, subject to the Company's discretion to defer making distributions. During the year, distributions amounting to $21 million (2021: nil) were paid.

22 Non-controlling interests

The following subsidiaries have material non-controlling interests ("NCI").

Name	Principal place of business	Ownership interests held by NCI 2022 %	2021 %
Asia Mobile Holdings and its subsidiaries ("AMH Group")	Singapore	25.0	25.0
TeleChoice and its subsidiaries ("TeleChoice Group")	Singapore	49.4	49.5
U Mobile and its subsidiaries ("U Mobile Group")	Malaysia	51.0	51.0
2nd Watch and its subsidiaries ("2nd Watch Group")	USA	42.1	42.6
STT India	India	26.0	26.0
Indonesia JVCo	Singapore	40.0	40.0
Virtus	Guernsey/ United Kingdom	40.0	–

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

2022	AMH Group S'm	TeleChoice Group S'm	U Mobile Group S'm	2nd Watch Group S'm	STT India S'm	Indonesia JVCo S'm	Virtus S'm
Revenue	2,327	233	1,017	83	306	–	30
Profit/(loss) for the year	22	(12)	(4)	(15)	20	(1)	(29)
Other comprehensive income	11	(2)	37	(2)	(30)	(7)	(36)
Total comprehensive income	33	(14)	33	(17)	(10)	(8)	(65)
Attributable to NCI:							
- Profit/(loss) for the year	32	(6)	(2)	(7)	5	–	(12)
- Other comprehensive income	2	(1)	19	(1)	(8)	(3)	(14)
- **Total comprehensive income**	34	(7)	17	(8)	(3)	(3)	(26)
Non-current assets	3,179	9	1,725	48	890	144	2,075
Current assets	1,556	102	209	55	124	38	372
Non-current liabilities	(2,073)	(2)	(1,633)	(3)	(559)	(28)	(1,578)
Current liabilities	(1,184)	(67)	(680)	(39)	(140)	(57)	(264)
Net assets/(liabilities)	1,478	42	(379)	61	315	97	605
Net assets/(liabilities) attributable to NCI	1,033	22	(193)	25	82	39	242

2022	**AMH Group S'm**	**TeleChoice Group S'm**	**U Mobile Group S'm**	**2nd Watch Group S'm**	**STT India S'm**	**Indonesia JVCo S'm**	**Virtus S'm**
Cash flows from operating activities	370	(1)	245	(7)	127	(16)	226
Cash flows from investing activities	(232)	(2)	(92)	–	(163)	(82)	(251)
Cash flows from financing activities (dividends to NCI: $54 million)	(370)	(13)	(123)	1	50	123	197
Net (decrease)/increase in cash and cash equivalents	(232)	(16)	30	(6)	14	25	172

2021	**AMH Group S'm**	**TeleChoice Group S'm**	**U Mobile Group S'm**	**2nd Watch Group S'm**	**STT India S'm**
Revenue	2,042	194	1,046	71	250
Profit/(loss) for the year	96	(3)	2	(8)	17
Other comprehensive income	16	–	11	5	(2)
Total comprehensive income	112	(3)	13	(3)	15
Attributable to NCI:					
- Profit/(loss) for the year	74	(1)	1	(4)	4
- Other comprehensive income	2	–	6	2	–
- **Total comprehensive income**	76	(1)	7	(2)	4
Non-current assets	3,125	18	1,816	54	836
Current assets	1,717	98	209	60	117
Non-current liabilities	(2,267)	(4)	(1,668)	(4)	(563)
Current liabilities	(1,113)	(55)	(755)	(32)	(148)
Net assets/(liabilities)	1,462	57	(398)	78	242
Net assets/(liabilities) attributable to NCI	999	29	(202)	33	63
Cash flows from operating activities	641	28	269	(7)	100
Cash flows from investing activities	(276)	(1)	(134)	(18)	(180)
Cash flows from financing activities (dividends to NCI: $39 million)	72	(19)	(260)	30	90
Net increase/(decrease) in cash and cash equivalents	437	8	(125)	5	10

23 Financial liabilities at amortised cost

	Note	Group 2022 S'm	Group 2021 S'm	Company 2022 S'm	Company 2021 S'm
Trade payables		432	336	–	–
Balances with related parties	17	56	21	–	–
Bank and other borrowings	24	6,837	6,789	451	451
Other non-current liabilities	26	136	186	–	–
Other payables and accruals	27	1,324	1,312	1	1
		8,785	8,644	452	452

24 Bank and other borrowings

	Note	Group 2022 S'm	Group 2021 S'm	Company 2022 S'm	Company 2021 S'm
Bank loans		3,921	3,666	–	–
Medium term notes		1,574	1,794	451	451
Lease liabilities		1,316	1,306	–	–
Others		26	23	–	–
	23	6,837	6,789	451	451
Current:					
Secured borrowings		451	70	–	–
Unsecured borrowings		139	223	–	–
Lease liabilities		114	166	–	–
		704	459	–	–
Non-current:					
Secured borrowings		2,112	2,186	–	–
Unsecured borrowings		2,819	3,004	451	451
Lease liabilities		1,202	1,140	–	–
		6,133	6,330	451	451
		6,837	6,789	451	451

Bank loans

The secured bank loans are secured over certain property, plant and equipment with carrying amount of $3,099 million (2021: $2,855 million), cash and cash equivalents of $405 million (2021: $157 million), trade and other receivables of $358 million (2021: $324 million), right-of-use assets with carrying amounts of $607 million (2021: $676 million) and the shares of certain subsidiaries.

Medium term notes

Issued by the Company

In December 2015, the Company issued a $300 million 10-year medium term notes which bears an interest rate of 4.05% per annum and is repayable in December 2025. In January 2016, the Company issued an additional $150 million medium term note with the same interest rate and repayment date.

Issued by StarHub

StarHub has established a multicurrency medium term note programme with a maximum aggregate principal amount of $1,000 million in September 2011. In September 2012, StarHub issued $220 million 10-year medium term notes which bear interest rate of 3.08% per annum. The amount was repaid in September 2022.

In June 2016, StarHub issued additional $300 million 10-year medium term notes which bear interest of 3.55% per annum and is repayable in June 2026.

On 29 May 2017, StarHub updated and amended its $1,000 million multicurrency medium term note programme to a $2,000 million multicurrency debt issuance programme with the inclusion of the mechanism for the issuance of, and the terms and conditions of, perpetual securities. The amendments do not affect the validity of the existing term notes issued by StarHub under the original programme.

In January 2021, StarHub issued a $200 million 10-year medium term note which bears interest of 2.48% per annum and is repayable in January 2031.

Issued by STT GDC

STT GDC established a multicurrency debt issuance programme with a maximum aggregate principal amount of $1,500 million in September 2019.

In September 2019, STT GDC issued $225 million 5-year medium term notes which bear interest at a rate of 3.59% per annum and are repayable in September 2024.

In July 2020, STT GDC issued $400 million 8-year medium term notes which bear interest at a rate of 3.13% per annum and are repayable in July 2028.

Lease liabilities - Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group				
	Spectrum licence liability S'm	Loans and borrowings S'm	Accrued interest payable S'm	Lease liabilities S'm	Total S'm
At 1 January 2021	125	4,828	14	1,309	6,276
Changes from financing cash flows					
Proceeds from borrowings	–	1,072	–	–	1,072
Repayment of borrowings	–	(399)	–	–	(399)
Lease liabilities paid	–	–	–	(228)	(228)
Spectrum liability paid	(96)	–	–	–	(96)
Interest paid	–	(64)	(156)	(83)	(303)
Total changes from financing cash flows	(96)	609	(156)	(311)	46
Effect of changes in foreign exchange rates	(2)	(3)	–	(11)	(16)
New leases	–	–	–	236	236
Other liability-related changes					
Capitalised borrowing costs	–	–	8	5	13
Finance costs	11	66	154	78	309
Others	(38)	(17)	–	–	(55)
Total liability-related other changes	(27)	49	162	83	267
At 31 December 2021	–	5,483	20	1,306	6,809

	Group			
	Loans and borrowings S'm	Accrued interest payable S'm	Lease liabilities S'm	Total S'm
At 1 January 2022	5,483	20	1,306	6,809
Changes from financing cash flows				
Proceeds from borrowings	493	–	–	493
Repayment of borrowings	(326)	–	–	(326)
Lease liabilities paid	–	–	(205)	(205)
Interest paid	(80)	(145)	(80)	(305)
Total changes from financing cash flows	87	(145)	(285)	(343)
Effect of changes in foreign exchange rates	(171)	(9)	(89)	(269)
New leases	–	–	296	296
Other liability-related changes				
Capitalised borrowing costs	–	9	3	12
Finance costs	113	157	77	347
Acquisition through business combinations	1	–	10	11
Others	8	–	(2)	6
Total liability-related other changes	122	166	88	376
At 31 December 2022	5,521	32	1,316	6,869

25 Derivatives

	Note	Group 2022 $'m	Group 2021 $'m
Derivative assets			
Non-current			
- Interest rate swaps	16	45	24
Current			
- Interest rate swaps	16	44	–
Derivative liabilities			
Non-current			
- Interest rate swaps	26	–	21
Current			
- Interest rate swaps		–	2
- Forward exchange contracts		5	–
	27	5	2

26 Other non-current liabilities

	Note	Group 2022 $'m	Group 2021 $'m
Deferred payment creditor		55	138
Others		81	48
	23	136	186
Derivative liabilities	25	–	21
Contingent consideration		8	16
Forward liability to acquire NCI		13	37
Put option liability to acquire NCI		–	3
Provision for restoration cost		94	103
Other deferred income		119	4
Long-term employee benefits		88	83
		458	453

The provision for restoration cost was recognised for site decommissioning and restoration to its original condition upon termination of the Group's leases. The estimates are reassessed on a yearly basis.

The change in provision for restoration cost during the year is as follows:

	Group	
	2022	**2021**
	S'm	**S'm**
At 1 January	103	113
Capitalised as right-of-use assets	2	2
Provision reversed	–	(16)
Translation adjustment	(6)	2
Unwinding of discount	(5)	2
At 31 December	94	103

27 Other payables, accruals and provisions

		Group		Company	
	Note	**2022**	**2021**	**2022**	**2021**
		S'm	**S'm**	**S'm**	**S'm**
Accruals and other payables		1,051	910	1	1
Property, plant and equipment vendors		273	402	–	–
	23	1,324	1,312	1	1
Put option liability to acquire NCI		22	–	–	–
Contingent consideration		46	31	–	–
Derivative liabilities	25	5	2	–	–
Provisions		6	5	–	–
Unearned revenue		36	3	–	–
Long-term employee benefits		109	100	–	–
		1,548	1,453	1	1

28 Revenue

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that have not been fulfilled at the reporting date:

	Within 1 year $'m	2 to 5 years $'m	After 5 years $'m	Total $'m
2022				
Mobile	239	55	–	294
Entertainment	35	10	–	45
Broadband	124	41	–	165
Enterprise business revenue	434	281	–	715
Data centre co-location services	642	1,857	1,931	4,430
Maintenance and installation services	3	8	–	11
	1,477	2,252	1,931	5,660
2021				
Mobile	263	61	–	324
Entertainment	43	13	–	56
Broadband	87	26	–	113
Enterprise business revenue	351	259	–	610
Data centre co-location services	580	1,791	2,178	4,549
Maintenance and installation services	2	2	–	4
	1,326	2,152	2,178	5,656

Variable consideration that is constrained and therefore not included in the transaction price, is excluded in the amount presented above.

The Group applies the practical expedient prescribed in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

In addition, amounts that are not contractually committed are excluded.

29 Profit from operations

The following items have been included in arriving at profit from operations:

	Group	
	2022	**2021**
	S'm	**S'm**
Contributions to defined contribution plans	(42)	(45)
Cash-settled share-based payment transactions	(28)	(16)
Equity-settled share-based payment transactions	(5)	(3)
Other long-term employee benefits	(45)	(16)

30 Key management personnel compensation

The details of key management personnel compensation are as follows:

	Group	
	2022	**2021**
	S'm	**S'm**
Short-term employee benefits	33	36
Share-based payments	15	8
Other long-term employee benefits	24	12
	72	56

31 Finance costs

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S'm	**S'm**	**S'm**	**S'm**
Interest expense:				
- bank loans	189	103	–	–
- medium term notes	60	61	18	18
- interest rate swaps	3	18	–	–
- lease liabilities	77	78	–	–
- others	18	49	–	–
	347	309	18	18

32 Finance income

	Group		Company	
	2022	2021	2022	2021
	$'m	$'m	$'m	$'m
Interest income:				
- associates	4	2	–	–
- subsidiary	–	–	18	18
- bank deposits	20	9	–	–
- gain on debt modification	–	13	–	–
- others	5	3	–	–
Net change in fair value of derivatives mandatorily measured at FVTPL	1	27	–	–
Hedge ineffectiveness recognised in profit or loss	4	–	–	–
Gain on settlement of spectrum licence liability	–	38	–	–
	34	92	18	18

33 Other income and other expenses

	Note	Group 2022	Group 2021
		$'m	$'m
Other income			
Exchange gain, net		10	4
Fair value gain on FVTPL financial assets		6	34
Fair value gain on contingent consideration		8	–
Fair value gain on forward liability to acquire NCI		23	–
Gain on disposal of property, plant and equipment		2	–
Provisions reversed		–	20
Miscellaneous income		4	1
		53	59
Other expenses			
Fair value loss on FVTPL financial assets		(113)	–
Impairment loss on goodwill		(46)	–
Loss on dilution of interest in associate	8	(5)	(15)
		(164)	(15)

34 Tax expense

	Note	Group 2022 S'm	Group 2021 S'm	Company 2022 S'm	Company 2021 S'm
Current tax					
Current year		37	58	–	–
Under provision in prior years		2	–	–	–
		39	58	–	–
Deferred tax					
Current year		9	(24)	–	–
Under provision in prior years		1	1	–	–
Recognition of previously unrecognised deferred tax asset		(2)	(19)	–	–
	11	8	(42)	–	–
		47	16	–	–

Reconciliation of effective tax rate

	Group 2022 S'm	Group 2021 S'm	Company 2022 S'm	Company 2021 S'm
(Loss)/profit before taxation	(317)	(11)	81	39
Share of results of associates and joint ventures, net of tax	134	176	–	–
	(183)	165	81	39
Income tax using Singapore tax rate of 17% (2021: 17%)	(31)	28	14	7
Effect of different tax rates in other countries	1	2	–	–
Income not subject to tax	(8)	(23)	(14)	(7)
Non-deductible expenses	67	27	–	–
Tax losses and other deductible temporary differences not recognised	20	10	–	–
Recognition of tax effect of previously unrecognised deferred tax assets	(2)	(19)	–	–
Under provision in prior years, net	3	1	–	–
Others	(3)	(10)	–	–
	47	16	–	–

At each reporting date, the Group makes certain estimates and assumptions to compute the provision for income taxes including allocations of certain transactions to different tax jurisdictions, amounts of permanent and temporary differences, the likelihood of deferred tax assets being recovered and the outcome of contingent tax risks. These estimates and assumptions are revised as new events occur, more experience is acquired and additional information is obtained. The impact of these revisions is recorded in income tax expense in the period in which they become known.

Tax recognised in other comprehensive income

	2022 Before tax S'm	2022 Tax expense S'm	2022 Net of tax S'm	2021 Before tax S'm	2021 Tax expense S'm	2021 Net of tax S'm
Group						
Translation differences relating to:						
- financial statements of foreign operations	(144)	–	(144)	13	–	13
- monetary items forming part of net investments in foreign operations	(47)	–	(47)	(13)	–	(13)
Effective portion of changes in fair value of cash flow hedges	92	(15)	77	27	–	27
Net change in fair value of financial assets at FVOCI	(6)	–	(6)	(10)	–	(10)
Share of defined benefit plan remeasurements of associate	–	–	–	1	–	1
Share of other comprehensive income of associates and joint ventures	(189)	–	(189)	78	–	78
Realisation of reserve upon liquidation of foreign operation	–	–	–	(1)	–	(1)
	(294)	(15)	(309)	95	–	95

35 Employee benefits

STTC

STTC's Executive Resource, Compensation and Nominating Committee ("STTC ERCNC") approved the following long-term incentive plans:

(a) Other long-term employee benefits

(i) Value-Sharing Incentive Plan ("VSIP")

A VSIP incentive pool is created based principally on a modified Wealth Added ("WA") concept and framework. WA is a risk adjusted performance measure that establishes whether shareholders earned a return that exceeds a cost of equity on the value of shareholders' funds.

The VSIP incentive pool is allocated individually or on a group basis depending on the corporate grades of the employees. Each year, a portion of the allocated VSIP incentive, together with a portion of cumulative unpaid VSIP incentive carried forward from the previous year, will be paid out in cash, if the aggregate balance is positive. The remaining balance of the unpaid allocated incentives will be carried forward to be aggregated with future VSIP allocations. The annual payout portion is 33%, or such other percentages as approved by STTC ERCNC.

(ii) Restricted Share Units Plan ("RSUP")

RSUP units are granted annually, and vest over 3 years. At the first anniversary of the grant, a "final value" will determined for each unit of the respective grant based on $1.00 adjusted by an achievement factor of between 0 to 1.5 times. The achievement factor is based on the actual operating performance of STTC's significant investments against budget. The final value will be payable in cash to the employee equally over 3 years.

(iii) Performance Share Units Plan ("PSUP")

A base number of PSUP units is granted to key management employees each year. Each annual grant will be subjected to performance conditions to be met over 3 years.

The release of the actual number of PSUP units under each grant will be determined based on the extent to which performance conditions are met. This number can vary between 0% to 200% of each base grant and will be paid in cash based on the initial unit value multiplied by the total compounded shareholders' return of STTC's portfolio of significant investments at the end of year 3.

(iv) Restricted Share Units Plan for non-executive directors ("RSUP-NED")

The RSUP-NED units are granted to non-executive directors ("NEDs") each year as part of their director's fees. Each grant is subject to the retention condition of the grant, and is exercisable during the annual two-week exercise period. The retention condition requires 50% of the vested units of each grant to be retained by the NED up to the earlier of 4 years from the start date of each grant or one year after he ceases to be a non-executive director.

The initial price for each grant is set at $1.00 per RSUP-NED unit. During each exercise period, a "final value" will be determined for each unit of the respective grant based on $1.00 adjusted by the compounded portfolio shareholders' return relative to the initial unit price at the start date of each grant up to the valuation date. For any vested RSUP-NED unit exercised, its "final value" will be payable in cash to the non-executive director.

StarHub Ltd

(a) StarHub Performance Share Plans

(i) StarHub PSP 2014

Under the StarHub PSP 2014, conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives. Awards are released once StarHub ERCC is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

The movements of the number of shares under the StarHub PSP 2014, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants are as follows:

2022 **Date of grant**	**Balance outstanding at 1.1.2022** **'000**	**Number of performance shares granted** **'000**	**Number of performance shares vested** **'000**	**Number of performance shares forfeited** **'000**	**Balance outstanding at 31.12.2022** **'000**
01.10.2019	1,206	–	(603)	(603)	–
28.12.2020	522	–	–	(89)	433
16.08.2021	1,726	–	–	(252)	1,474
10.06.2022	–	1,648	–	(90)	1,558
Total	3,454	1,648	(603)	(1,034)	3,465

	Balance outstanding at 1.1.2021 '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31.12.2021 '000
2021					
Date of grant					
28.03.2018	395	–	(109)	(286)	–
01.10.2019	1,206	–	–	–	1,206
28.12.2020	564	–	–	(42)	522
16.08.2021	–	1,726	–	–	1,726
Total	2,165	1,726	(109)	(328)	3,454

The fair value of the shares is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grant in 2022 and 2021 are as follows:

	Year of grant	
	2022	**2021**
Fair value	\$0.95	\$0.98
Share price	\$1.25	\$1.25
Expected volatility of StarHub's shares	18.77%	20.12%
Expected dividend yield	4.81%	5.54%
Risk-free interest rates	2.49%	0.44%

(ii) StarHub RSP 2014

Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related after a further period of service beyond the performance targets completion date (performance-based restricted awards).

During the year, conditional grants of 4,146,700 (2021: 3,554,200) shares under the StarHub RSP 2014 were made to key employees of StarHub. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

The movements of the number of shares for key employees under the StarHub Restricted Stock Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants are as follows:

	Balance outstanding at 1.1.2022 '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31.12.2022 '000
2022					
Date of grant					
03.07.2019	473	–	(473)	–	–
01.10.2019	168	–	(146)	(22)	–
26.03.2020	1,487	–	(779)	(102)	606
31.03.2021	3,252	–	(1,109)	(240)	1,903
10.06.2022	–	4,147	–	(157)	3,990
Total	5,380	4,147	(2,507)	(521)	6,499

	Balance outstanding at 1.1.2021 '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31.12.2021 '000
2021					
Date of grant					
28.03.2018	332	–	(325)	(7)	–
03.07.2019	1,018	–	(502)	(43)	473
01.10.2019	377	–	(178)	(31)	168
26.03.2020	2,646	–	(834)	(325)	1,487
31.03.2021	–	3,554	–	(302)	3,252
Total	4,373	3,554	(1,839)	(708)	5,380

The fair value of the share awards is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grant in 2022 and 2021 are as follows:

	Year of grant 2022	Year of grant 2021
Fair value	\$1.11 - \$1.21	\$1.11 - \$1.22
Share price	\$1.25	\$1.28
Expected volatility of StarHub's shares	18.77%	24.51%
Expected dividend yield	4.81%	5.27%
Risk-free interest rates	1.98%-2.48%	0.45% - 0.66%

TeleChoice International Limited ("TeleChoice")

TeleChoice Restricted Share Plan and Performance Share Plan

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "TeleChoice Plans"), were approved and adopted by TeleChoice's members at an Extraordinary General Meeting of TeleChoice held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of TeleChoice held on 26 April 2018.

Information regarding the TeleChoice Plans is set out below:

(i) The TeleChoice Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for TeleChoice.

(ii) The TeleChoice Plans are administered by TeleChoice's Remuneration Committee comprising three directors, namely Ronald Seah Lim Siang, Yeo Siew Chye Stephen and Stephen Geoffrey Miller (the "TeleChoice RC").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the TeleChoice Plans at the absolute discretion of the TeleChoice RC:

a) employees and non-executive directors of TeleChoice and/or any of its subsidiaries;

b) employees and non-executive directors of STTC and its subsidiaries, who may be seconded to render services and contribute to the success of TeleChoice Group; and

c) employees of associated companies of TeleChoice.

(iv) Controlling shareholders and associates of controlling shareholders of TeleChoice will not be eligible to participate in the TeleChoice Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the TeleChoice RC is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

(vi) The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vii) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the TeleChoice RC is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the TeleChoice RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(viii) The vesting period of the shares granted under the TeleChoice Plans is between one to three years.

(ix) As at 31 December 2022, the initial awards of 16,554,640 (2021: 15,328,390) shares under the TeleChoice PSP and the initial awards of 39,952,170 (2021: 36,410,420) shares under the TeleChoice RSP were made to Eligible Persons. As at 31 December 2022, awards of 3,678,750 (2021: 3,709,200) shares under the TeleChoice PSP and 11,171,700 (2021: 8,915,950) shares under the TeleChoice RSP were outstanding.

The key assumptions applied in estimating the fair values under the TeleChoice PSP are as follows:

Date of grant of shares	**1 June 2022**	**1 June 2021**	**3 June 2020**	**3 June 2019**	**1 June 2018**
Fair value at grant date	$0.078	$0.121	$0.133	$0.138	$0.160
Assumptions under Monte-Carlo Model Expected Volatility					
TeleChoice International Limited	18.47%	16.77%	15.10%	10.44%	13.75%
Straits Times Index	17.83%	N/A	N/A	N/A	N/A
Risk-free interest rates	2.38%	0.49%	0.43%	1.89%	2.05%

The key assumptions applied in estimating the fair values under TeleChoice RSP are as follows:

Date of grant of shares	**1 June 2022**	**1 June 2021**	**3 June 2020**	**3 June 2019**	**1 June 2018**
Fair value at grant date:					
For RSP vested 12 months from grant date	$0.113	$0.167	$0.188	$0.212	N/A
For RSP vested 24 months from grant date	$0.111	$0.162	$0.180	$0.203	$0.240
For RSP vested 36 months from grant date	$0.110	$0.158	$0.171	$0.194	$0.225
For RSP vested 48 months from grant date	N/A	N/A	N/A	N/A	$0.211
Assumptions under Monte-Carlo Model Expected Volatility					
TeleChoice International Limited	18.47%	16.77%	15.10%	10.44%	13.75%
Risk-free interest rates					
Singapore 1-year Government Bond yield	1.94%	0.30%	0.29%	1.84%	1.71%
Singapore 2-year Government Bond yield	2.26%	0.36%	0.35%	1.87%	1.93%
Singapore 3-year Government Bond yield	2.38%	0.49%	0.43%	1.89%	2.05%

The fair value of the shares is estimated using the Monte-Carlo simulation methodology at the measurement dates, which are grant dates of these share awards. The accrual for the share expenses under the Plans has been estimated on the basis that TeleChoice Group will be on target in respect of the performance conditions.

STT GDC

(a) Cash-settled share-based compensation benefits

Virtus Long Term Incentive Plan

The shareholders of Virtus approved the following long-term incentive plans ("LTIP") with an effective commencement date of 2 February 2017:

(i) Executive Management Scheme ("EMS") applicable to key management employees

(ii) Key Employees Scheme ("KES") applicable to employees

The LTIP is designed to provide long-term incentives for employees at all levels to deliver long-term shareholder returns. Under the plan, participants are granted cash-settled units each year, the value of which is tied to the fair value of Virtus based on the underlying equity value of Virtus ("the initial share price"). The amount of cash payment is determined based on the increase in the fair value of Virtus's share between the grant date ("the initial share price") and the exercise date. Each grant vests over 4 years and is exercisable up to 7 years from the start date of each grant.

As part of the sale by STT UKDC of its 40% equity interest in Virtus (see Note 39(ii)), the participants of the EMS and KES had the opportunity to exercise all their vested units on the completion of the sale and receive cash payment based on the net offer price of the transaction less the base fair market value of the respective grants of vested units. The total values of the vested EMS and KES units are payable to the participants in cash, with part of the values paid at completion of the sale and the remaining values payable over a 4-year period ("deferred payment terms", see Virtus Long Term Incentive Plan 2022 below).

Following the completion of the sale, all unvested EMS and KES units were cancelled and replaced with a new long-term incentive plan (see Virtus Long Term Incentive Plan 2022 below) under which the participants holding unvested EMS and KES units would be eligible to receive new awards in the form of restricted share units ("RSU").

In the prior year, the fair value of services received in return for LTIP granted are measured by reference to the fair value of LTIP granted. The estimate of the fair value of the services received is measured based on the Black Scholes Model. The key assumptions applied in the estimate of fair values for EMS and KES are as follows:

Year of grant	2021	2020	2019	2018	2017
Fair value at 31 December 2021	$2.91	$3.15	$3.26	$3.40	$3.83 - $5.14
Initial share prices	$6.28	$5.18	$4.55	$4.03	$1.81 - $3.25
Portfolio expected volatility	39.71%	39.71%	39.71%	39.71%	39.71%
Expected remaining life	6	5	4	3	1 - 2
Risk-free interest rate	0.78%	0.79%	0.72%	0.74%	0.47%-0.65%

(b) Other long-term employee benefits

Value-Sharing Incentive Plan ("VSIP")

STT GDC's Remuneration Committee ("STT GDC RC") approved the VSIP with effective commencement date of 1 January 2016. Approval of the incentive plan has been transferred to STTC ERCNC, with effect from 1 September 2020.

A VSIP incentive pool is created based principally on a modified Wealth Added ("WA") concept and framework. WA is a risk adjusted performance measure that establishes whether shareholders earned a return that exceeds the current year cost of equity on the market value of listed investments and the original investment value of unlisted investments accumulated with the historical cost of equity from the date of investment to the beginning of the current year.

The VSIP incentive pool is allocated individually to participants of the scheme. Each year, a portion of the allocated VSIP incentive, together with a portion of cumulative unpaid VSIP incentive carried forward from the previous year, will be paid out in cash, if the aggregate balance is positive. The remaining balance of the unpaid allocated incentives will be carried forward to be aggregated with future VSIP allocations. The steady state payout portions will be 33% each year, or such other percentages as approved by the STTC ERCNC.

STT GDC Long Term Incentive Plans

The STT GDC RC approved the following long-term incentive plans with effective commencement date of 1 January 2016. Approval of the incentive plan has been transferred to STTC ERCNC with effect from 1 September 2020.

(i) Investee Performance Units Plan ("IPUP")

A base number of IPUP units is granted to key management employees each year. Each annual grant will be subjected to performance conditions to be met over 3-5 years.

The release of the actual number of IPUP units under each grant will be determined based on the extent to which performance conditions are met. This number can vary between 0% to 150% of each base grant and will be paid in cash based on the initial unit value multiplied by the total compounded shareholders' return of STT GDC's portfolio of significant investments at the end of the performance period which can range from 3-5 years.

(ii) Investee Appreciation Units Plan ("IAUP")

IAUP units are granted annually. Each grant vests over 4 years and is exercisable up to 7 years from the start date of each grant during two exercise window periods provided each year.

The initial price for each grant is set at \$1.00 per IAUP unit. At each exercise window period, a "final value" will be determined for each unit of the respective grant based on \$1.00 adjusted by the compounded portfolio shareholders' return percentage relative to the initial unit price at the start date of each grant. For any vested IAUP unit exercised, the difference between the determined "final value" for each grant and the initial \$1.00 value of each IAUP unit will be payable in cash to the employee.

Virtus Long Term Incentive Plan 2022

For the values of the vested EMS and KES units payable on deferred payment terms, the participants will be entitled to an additional amount on top of the amount that they were paid on each deferred payment date for the period since Completion.

The base number of FY2022 RSUs granted in the new LTIP was determined based on the conversion value equivalent to the unvested EMS and KES units being exercised. The initial value of each RSU is GBP1.00 ("initial value"). The final actual incentive value of the new RSUs would be based on achievement of corporate performance conditions ("final settlement value"), with a minimum guaranteed value payable over the next 3 years ("early partial settlement") as if the unvested units were exercised based on the original vesting schedule. Holders of the RSUs are also entitled to any upside should there be an appreciation in their initial value to the final settlement value, subject to the holders' continuing employment at the time of the settlement.

STT India Long Term Incentive Plan

In August 2017, the STT India Remuneration Committee approved the Appreciation Unit Plan ("AUP") for STT India's employees. The AUP units are granted annually. Each grant is divided into four tranches of 25% and each tranche can be encashed upon meeting stated encashment conditions during two exercise window periods provided each year. The contractual life is 7 years.

The initial value for each grant is set at INR100 per AUP unit. At each exercise window period, a "final value" will be determined for each unit of the respective grant based on INR100 adjusted by the compounded shareholders' return percentage relative to the initial unit price at the start date of the grant. For any AUP unit exercised, the difference between the determined "final value" for each grant and the initial unit price will be payable in cash to the employee.

36 Significant related party transactions

In addition to the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions during the financial year:

	Group	
	2022	**2021**
	S'm	**S'm**
Related corporations		
Purchase of property, plant and equipment	(9)	(2)
Rental expenses	–	(1)
Revenue	34	40
Service expenses	(119)	(54)

37 Financial risk management

Wholly-owned operating subsidiaries adopt the Company's financial risk management framework and guidelines; non-wholly-owned operating subsidiaries will be supervised by their respective boards, being subject to the legal and statutory governance required of the entities. Financial risk management at the operating companies that are not subsidiaries are reviewed and managed by their respective management and supervised by the respective Boards.

The Company has board representations in the operating companies. Management of each operating company is responsible and accountable for the risk management processes of its company. The financial risk management disclosures relating to the Company and certain significant operating companies as extracted from the financial risk management section in their respective financial statements are disclosed below.

(a) The Company, STTC and Asia Mobile Holdings (the "holding companies")

Financial risk management objectives and policies

The Company, STTC (including its wholly-owned investment holding subsidiaries ("STTC entities")) and Asia Mobile Holdings have principal activities of that of an investment holding company that owns and manages its operating subsidiaries and affiliates on an arm's length and commercial basis. In general, the holding companies do not guarantee the financial obligations of their operating companies.

The holding companies have risk guidelines for approval authorities, reporting requirements and procedures for managing their financial risks. The holding companies' management teams operate the risk management framework within the risk guidelines established and approved by the holding companies' Board of Directors.

Exposures to credit, liquidity and market risks arise in the normal course of the holding companies' business. The holding companies have risk management guidelines which set out their tolerance of risk and their general risk management philosophy, and have a framework to monitor the exposures and ensure appropriate measures are implemented in a timely and effective manner. The management of these risks is discussed below:

Credit risk

A credit guideline is in place and the exposure to credit risk is monitored on an ongoing basis. Limits are set for counterparties of different credit standing and also vary with the type of transaction. These limits will cap the credit risk exposure to any single counterparty.

The carrying amount of financial assets represents the holding companies' maximum exposure to credit risk. Cash and fixed deposits are placed with financial institutions which are regulated. The holding companies do not hold any collateral in respect of their financial assets.

The Company has balances with related parties of $452 million (2021: $452 million). The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections), and applying expected credit judgement. For balances with a significant increase in credit risk, impairment on these balances has been measured on the lifetime expected loss basis. There is no significant increase in credit risk for the remaining exposures. Therefore, impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. Except for certain amounts due from related parties which are fully impaired, the amount of the allowance on those remaining balances is insignificant.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The amount of the allowance on cash and cash equivalents is negligible. The cash and cash equivalents are held with bank and financial institutions counterparties, which have a minimum rating of A-2, based on Standard & Poor's ratings.

Liquidity risk

The holding companies monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance their operations and to mitigate the effects of fluctuations in cash flows. As far as possible, the holding companies will always raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The following are the expected contractual undiscounted cash outflows of non-derivative financial liabilities and derivatives:

	Total S'm	**Within 1 year S'm**	**2 to 5 years S'm**	**After 5 years S'm**
Company				
2022				
Non-derivative financial liabilities				
Other payables and accruals	(1)	(1)	–	–
Bank and other borrowings	(503)	(18)	(485)	–
	(504)	(19)	(485)	–
2021				
Non-derivative financial liabilities				
Other payables and accruals	(1)	(1)	–	–
Bank and other borrowings	(521)	(18)	(503)	–
	(522)	(19)	(503)	–

	Total S'm	Within 1 year S'm	2 to 5 years S'm	After 5 years S'm
STTC				
2022				
Non-derivative financial liabilities				
Other payables and accruals	(14)	(14)	–	–
Balances with related parties	(503)	(18)	(485)	–
Lease liabilities	(20)	(3)	(9)	(8)
	(537)	(35)	(494)	(8)
2021				
Non-derivative financial liabilities				
Other payables and accruals	(16)	(16)	–	–
Balances with related parties	(521)	(18)	(503)	–
Lease liabilities	(15)	(3)	(12)	–
	(552)	(37)	(515)	–
Asia Mobile Holdings				
2022				
Non-derivative financial liabilities				
Bank and other borrowings		(953)	(33)	(920)
Other payables and accruals		(10)	(10)	–
Balances with related parties		(14)	(14)	–
Derivative financial assets				
Interest rate swaps used for hedging		3	–	3
		(974)	(57)	(917)
2021				
Non-derivative financial liabilities				
Bank and other borrowings		(811)	(7)	(804)
Other payables and accruals		(6)	(6)	–
Balances with related parties		(13)	(13)	–
Derivative financial liabilities				
Interest rate swaps used for hedging		(21)	–	(21)
		(851)	(26)	(825)

The maturity analyses show the undiscounted cash flows of the holding companies' financial liabilities on the basis of their earliest possible contractual maturity.

For derivative financial instruments, the cash inflows represent the contractual undiscounted cash flows relating to these instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Gross inflows and outflows are included for derivatives that are gross-settled on a simultaneous basis. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the holding companies' floating rate loans.

Market risk

The holding companies are exposed to investment risks from their investment portfolios, which largely comprise long term investments. These investments are concentrated in the telecommunication and data centre sectors. The market value of the listed portfolio is subject to fluctuations due to volatility of the stock markets.

The holding companies mitigate these investment risks through stringent selection of investment opportunities and proper structuring of the investment transactions. Changes in the share prices of the listed investments are monitored for divestment decision-making as well as provision for any potential impairment loss.

Interest rate risk

The holding companies' exposure to market risk for changes in interest rates relates primarily to its debt obligations. The holding companies' policy is to manage interest rates through a combination of fixed and floating rate debt. Derivative financial instruments such as interest rate swaps may also be used, when appropriate and based on market conditions, to reduce exposure to floating interest rate risk.

The holding companies hold interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. These interest rate swaps have floating legs that are indexed to Singapore Overnight Rate Average ("SORA") and Secured Overnight Financing Rate ("SOFR").

At 31 December, Asia Mobile Holdings have outstanding interest rate swap contracts for hedging of floating rate interest obligations by swapping them for fixed rate interest obligations with notional principal amounts as follows:

	Asia Mobile Holdings	
	2022	**2021**
	S'm	**S'm**
Interest rate swap contracts	398	718

Sensitivity analysis

Asia Mobile Holdings' borrowings at variable rates are denominated in Singapore dollars and US dollars. An increase/(decrease) in the interest rates by 100 basis points (2021: 100 basis points) with all other variables remaining constant, will result in Asia Mobile Holdings' profit before taxation to be lower/(higher) by $4 million (2021: $1 million). The analysis is performed on the same basis for 2021.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

STTC	Effective interest rate %	Total $'m	Floating interest $'m
2022			
Financial assets			
Fixed deposits	3.15 – 4.40	373	373
2021			
Financial assets			
Fixed deposits	0.10 – 0.51	805	805

Asia Mobile Holdings	Effective interest rate %	Total $'m	Floating interest $'m	Fixed interest rate maturing within 1 to 5 years $'m
2022				
Financial assets				
Fixed deposits	3.61 – 4.20	126	126	–
Balances with related parties	5.94	68	68	–
		194	194	–
Financial liabilities				
Unsecured long-term bank loans:				
- Floating rate	4.07 – 4.48	796	796	–
- Effect of interest rate swaps	3.10 – 3.25	–	(398)	398
		796	398	398
2021				
Financial assets				
Fixed deposits	0.02 – 0.33	97	97	–
Balances with related parties	3.15 – 3.26	69	69	–
		166	166	–
Financial liabilities				
Unsecured long-term bank loans:				
- Floating rate	0.85 – 0.94	798	798	–
- Effect of interest rate swap	2.20 – 3.32	–	(718)	718
		798	80	718

Cash flow hedges

At 31 December, Asia Mobile Holdings held the following instruments to hedge exposures to changes in interest rates.

	Maturity – After 1 year but within 5 years 2022 $'m	Maturity – After 1 year but within 5 years 2021 $'m
Interest rate risk		
Interest rate swaps		
Net exposure	398	718
Average fixed interest rate	3.22%	2.81%

The amounts at the reporting date relating to items designated as hedged items are as follows:

	Change in value used for calculating hedge ineffectiveness $'m	Cash flow hedge reserve $'m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied $'m
2022			
Interest rate risk			
Unsecured long-term bank loans	–	3	–
2021			
Interest rate risk			
Unsecured long-term bank loans	–	(21)	–

The amounts relating to items designated as hedging instruments are as follows:

	2022				During the year - 2022
	Nominal amount $'m	Carrying amount – assets $'m	Carrying amount – liabilities $'m	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in other comprehensive income $'m
Interest rate risk					
Interest rate swaps	398	3	–	Derivative assets	21

	2021				During the year - 2021
	Nominal amount S'm	**Carrying amount – assets S'm**	**Carrying amount – liabilities S'm**	**Line item in the statement of financial position where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in other comprehensive income S'm**
Interest rate risk					
Interest rate swaps	718	–	(21)	Derivative liabilities	24

Currency risk

The holding companies are exposed to foreign currency risk on transactions that are denominated primarily in currencies other than the functional currency of the holding companies. It is the holding companies' policy to hedge these risks as they arise whenever possible. The holding companies may use currency swaps and forward exchange contracts to hedge the foreign currency risk on committed currency exposures. At the reporting date, the currency giving rise to this risk is primarily the US dollar.

The holding companies do not hedge the foreign exchange exposure with respect to their venture and long-term strategic capital investments made in various countries as forecasts of the timing and quantum of the realisable proceeds cannot be reasonably determined. This exposure is regarded as an integral part of the holding companies' investment risks and any gain or loss forms part of the holding companies' investment returns.

At 31 December 2022 and 2021, the holding companies do not have outstanding currency swaps contracts for hedging purposes.

The holding companies incur foreign exchange risk on cash and cash equivalents, loans and balances with related parties that are denominated in currencies other than the functional currency. The currency giving rise to this risk is primarily the US dollar.

The holding companies' exposure to US dollar are as follows:

	STTC		Asia Mobile Holdings	
	2022 S'm	**2021 S'm**	**2022 S'm**	**2021 S'm**
Bank and other borrowings	–	–	(193)	(198)
Cash and cash equivalents	219	207	12	19
Balances with related parties	5	29	68	69
Net exposure	224	236	(113)	(110)

Sensitivity analysis

At 31 December, a 1% (2021: 1%) strengthening of Singapore dollar against the US dollar would increase/(decrease) profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	STTC		Asia Mobile Holdings	
	2022	2021	2022	2021
	S'm	S'm	S'm	S'm
Profit before taxation				
US dollar	(2)	(2)	1	1

A 1% weakening of Singapore dollar against the US dollar would have had the equal but opposite effect.

Fair values

Fixed interest bearing loan to subsidiary

The fair value of non-current loan to its subsidiary was calculated using discounted cash flow model based on the present value of future principal and interest cash flow, discounted at the market rate at the reporting date. The fair value of the loan approximates $445 million (2021: $475 million).

Fixed interest-bearing medium term notes

The fair value of fixed interest-bearing medium term notes was based on quoted market price at the reporting date. The fair value of the medium term notes was $445 million (2021: $475 million).

Floating interest-bearing loans and balances with related parties

No fair value is calculated as Asia Mobile Holdings believes that the carrying amounts of floating interest-bearing loans which are repriced within 3 months from the reporting date, reflect the corresponding fair values.

Derivatives

Marked to market valuations of the interest rate swaps are provided by the banks. These quotes are independently tested using alternate pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

Cash and cash equivalents, other receivables, other payables and accruals, and current balances with related parties

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

Unquoted investments held by wholly-owned investment holding subsidiaries

The fair value of financial assets at FVOCI and FVTPL are determined by using valuation techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value at the reporting date:

	Level 1 $'m	**Level 2 $'m**	**Level 3 $'m**
2022			
STTC entities			
Unquoted FVOCI financial assets	–	–	65
Unquoted FVTPL financial assets	–	–	92
Contingent consideration	–	–	(8)
Asia Mobile Holdings			
Mark-to-market financial assets			
- Interest rate swaps	–	3	–
2021			
STTC entities			
Unquoted FVOCI financial assets	–	–	71
Unquoted FVTPL financial assets	–	–	155
Contingent consideration	–	–	(8)
Asia Mobile Holdings			
Mark-to-market financial liabilities			
- Interest rate swaps	–	(21)	–

<u>*Unquoted financial assets*</u>

The fair values of unquoted investments are based on various factors that are broadly categorised as follows:

(a) Fair values of companies that are performing to plan are estimated to be equivalent to the recent round of financing unless there are indications to suggest otherwise.

(b) Fair values of companies where the price of recent round of financing is no longer appropriate to use are based on various factors such as revenue or EBITDA multiple of comparable companies and net asset values.

The judgements required to determine the appropriate valuation methodology of unquoted investments means there is a risk of material adjustment to the carrying amounts of assets. Investment valuations require the use of judgement, estimates and assumptions about the carrying amounts of assets that are not readily available or observable.

Unquoted investment at FVOCI was valued based on the equity valuation implied by a recent agreed acquisition price by a third party. In the prior year, the unquoted investment at FVOCI was valued using comparable EBITDA multiple where an increase/(decrease) of 0.5 in the EBITDA multiple would result in an increase/(decrease) in the Group's equity by $11 million.

<u>*Contingent consideration*</u>

The fair value of the contingent consideration was calculated based on the expected payment amount and its associated probabilities (i.e. probability-weighted). Since the contingent consideration is long-term in nature, it was discounted to present value. Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Changing the significant unobservable input used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for the financial assets measured using Level 3 fair values:

STTC entities	**$'m**
At 1 January 2021	171
Purchases	21
Total unrealised gains and losses recognised in profit or loss	
- Net change in fair value of FVTPL financial assets	34
At 31 December 2021	226

STTC entities	**$'m**
At 1 January 2022	226
Purchases	17
Total unrealised gains and losses recognised in profit or loss	
- Net change in fair value of FVTPL financial assets	(80)
Total unrealised gains and losses recognised in other comprehensive income	
- Net change in fair value of FVOCI financial assets	(6)
At 31 December 2022	157

(b) Operating companies in the Group

StarHub Ltd and its subsidiaries ("StarHub Group")

Financial risk management objectives and policies

Exposure to credit, liquidity, interest risk, foreign exchange and market risks arises in the normal course of StarHub Group's business.

This note presents information about StarHub Group's exposure to each of the above risks, StarHub Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

StarHub Board of Directors has overall responsibility for the establishment and oversight of StarHub Group's risk management framework. StarHub Board has established StarHub Risk and Sustainability Committee, which in turn is assisted by StarHub Management Risk Committee, which is responsible for developing and monitoring StarHub Group's risk management policies. StarHub Management Risk Committee reports to StarHub Risk and Sustainability Committee on a regular basis. StarHub Risk and Sustainability Committee reports to StarHub Board of Directors on its activities.

StarHub Group's risk management policies are established to identify and analyse the risks faced by StarHub Group from both an operational and execution basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and StarHub Group's activities. StarHub Group, through its training and management standards and procedures, aims to promote a culture of risk management which entails awareness, accountability and ownership in all StarHub Group's employees.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates, where appropriate. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Credit risk

Credit risk is the risk of financial loss to StarHub Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from StarHub Group's receivables from customers.

StarHub management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic review of credit policy and counterparty credit limits are also practised.

StarHub Group has no significant concentration of credit risk from trade receivables due to its large diversified customer base. Credit evaluations are performed on corporate customers requiring credit. Identification documents are obtained from retail customers. Deposits are obtained for certain categories of higher risk customers.

Counterparty risk arising from cash and cash equivalents and treasury transactions is managed by dealing mainly with high credit quality counterparties, which have a minimum rating of A/A1 based on Standard & Poor or Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. StarHub Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties. The amount of allowance on cash and cash equivalents was negligible.

The maximum credit risk exposure is represented by the carrying value of each financial asset in the balance sheet less collaterals held. Collaterals in the form of cash or bank guarantees are obtained from counterparties where appropriate.

StarHub Group uses an allowance matrix to measure the ECLs of trade receivables. In the assessment of ECLs, StarHub Group applies the simplified approach to estimate the loss allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The following table details the risk profile of trade receivables from contracts with customers based on StarHub Group's allowance matrix:

	2022			2021			
	Weighted average loss rate	Gross carrying amount $m	Loss allowance $m	Weighted average loss rate	Gross carrying amount $m	Loss allowance $m	Credit impaired?
Group							
Current	5.3%	115	6	4.0%	106	4	No
Past due 1 - 15 days	6.8%	22	1	10.0%	20	2	Yes
Past due above 15 days	25.0%	152	38	33.5%	112	38	Yes
		289	45		238	44	

StarHub Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, StarHub Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on StarHub Group's view of economic conditions over the remaining lifetime of future performance obligations.

The following table details the risk profile of contract assets based on StarHub Group's allowance matrix.

	2022 Weighted average loss rate	2022 Gross carrying amount S'm	2022 Impairment loss allowance S'm	2021 Weighted average loss rate	2021 Gross carrying amount S'm	2021 Impairment loss allowance S'm
Current	1.3%	383	(5)	1.7%	361	(6)

Liquidity risk

Liquidity risk is the risk that StarHub Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

StarHub Group actively monitors its liquidity risk and manages its operating cash flows, debt maturity profile, availability of funding, and reviews compliance with loan covenants. StarHub Group maintains sufficient level of cash and cash equivalents, expects to generate sufficient cash flows from its operation, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its multicurrency debt issuance programme to ensure that there are adequate credit facilities which may be utilised when the need arises to meet its working capital requirements.

StarHub management assessed that with these available facilities and positive cash flows from StarHub Group's operations, StarHub Group will be able to pay its liabilities as and when they are due.

The following are the expected contractual undiscounted cash outflows (including interest payments) of financial liabilities:

			Contractual cash flows		
	Carrying amount S'm	Total S'm	Within 1 year S'm	After 1 year but within 5 years S'm	After 5 years but within 10 years S'm
2022					
Non-derivative financial liabilities					
Bank and other borrowings	(1,150)	(1,257)	(158)	(882)	(217)
Trade and other payables ^	(747)	(751)	(733)	(14)	(4)
Balances with related parties	(38)	(38)	(38)	–	–
Lease liabilities	(119)	(156)	(38)	(56)	(62)
	(2,054)	(2,202)	(967)	(952)	(283)
Derivative financial liabilities					
Forward exchange contracts used for hedging	(5)				
Outflow		(144)	(144)	–	–
Inflow		139	139	–	–
	(5)	(5)	(5)	–	–

			Contractual cash flows		
	Carrying amount S'm	Total S'm	Within 1 year S'm	After 1 year but within 5 years S'm	After 5 years but within 10 years S'm
2021					
Non-derivative financial liabilities					
Bank and other borrowings	(1,366)	(1,522)	(264)	(965)	(293)
Trade and other payables ^	(671)	(684)	(626)	(30)	(28)
Balances with related parties	(17)	(17)	(17)	–	–
Lease liabilities	(132)	(183)	(37)	(71)	(75)
	(2,186)	(2,406)	(944)	(1,066)	(396)

^ The carrying amount of trade and other payables disclosed in the table excludes deferred income, forward exchange contracts, net GST payable and employee benefits.

The maturity analysis shows the contractual undiscounted cash flows of StarHub Group's derivative financial instruments on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect StarHub Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

StarHub Group's exposure to equity price is not significant.

StarHub Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, StarHub Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Interest rate risk

StarHub Group's exposure to market risk for changes in interest rates relates primarily to StarHub Group's debt obligations. StarHub Group adopts a policy of ensuring that at least 50 percent of its exposure to changes in interest rates on long-term borrowings is on a fixed rate basis.

Exposure to interest rate risk

At the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to StarHub management, was as follows:

	2022 S'm	2021 S'm
Fixed rate instruments		
Fixed deposits	325	578
Borrowings	1,138	1,358
Variable rate instrument		
Borrowings	12	7

Sensitivity analysis for variable rate instruments

StarHub Group's borrowings are denominated in Singapore dollar. An increase/decrease in the floating interest rates by 100 basis points (2021: 100 basis points) with all other variables remaining constant, does not have a material impact on the Group's profit before taxation.

Foreign currency risk

StarHub Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, that are denominated in a currency other than the respective functional currencies of StarHub Group entities. The currency giving rise to this risk is primarily the United States dollar.

In respect of other monetary liabilities held in foreign currencies, StarHub Group ensures that the net exposure is kept to an acceptable level by buying foreign currencies at spot rates where necessary to address any shortfalls.

StarHub Group's exposures to United States dollar are as follows:

	2022 S'm	2021 S'm
Contract assets	–	3
Trade and other receivables	22	20
Cash and cash equivalents	63	46
Trade and other payables	(58)	(123)
	27	(54)

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk on committed payment obligations. At 31 December 2022, StarHub Group has outstanding forward exchange contracts with notional principal amounts of approximately $157 million (2021: $20 million).

Sensitivity analysis

StarHub Group has assessed that a reasonable change in the exchange rate would not result in a material impact on the Group's results.

Classification of financial instruments

	2022 S'm	2021 S'm
Financial assets at amortised cost		
Cash and cash equivalents	574	833
Trade receivables	244	194
Other receivables#	107	122
Amounts due from related parties	19	14
	944	1,163
Equity investment at FVOCI		
Quoted equity security	5	6
Financial liabilities at amortised cost		
Trade and other payables^	(688)	(595)
Amounts due to related parties	(38)	(17)
Borrowings	(1,150)	(1,366)
Lease liabilities	(119)	(132)
	(1,995)	(2,110)
Financial liabilities at fair value		
Contingent consideration	(46)	(39)
Forward liability to acquire non-controlling interests	(13)	(37)
Forward exchange contracts used for hedging (derivative liability)	(5)	–
	(64)	(76)

\# Excludes prepayments, grant receivables and forward exchange contracts.
^ Excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of StarHub Group:

Derivatives

Marked-to-market valuations of the forward exchange contracts are provided by the banks. Those quotes are tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on StarHub's management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

Lease liabilities

Lease liabilities approximate their fair values and are calculated using discounted cash flow models based on the present value of future cash flows, discounted using the incremental borrowing rates at the respective lease inception dates.

Borrowings

The fair values of borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other fixed interest bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

As at 31 December 2022, the fair value of bank loans and medium term notes are $619 million (2021: $639 million) and $461 million (2021: $737 million), respectively.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values.

The fair value of non-current other financial assets and financial liabilities was calculated using the discounted cash flow model based on the present value of expected cashflow at the market rates at the reporting date. The carrying amounts approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Estimation of fair values

The following table represents the assets and liabilities measured at fair value, using the above valuation methods, at the reporting date:

	Fair value level	2022 $'m	2021 $'m
Financial assets			
Quoted equity security	1	5	6
Financial liabilities			
Mark-to-market financial instruments			
- Forward exchange contracts	2	5	–
Contingent consideration	3	46	39
Forward liability to acquire non-controlling interests	3	13	37

There were no transfers between Levels 1 and 2 in 2022 and 2021.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Forward liability to acquire non-controlliug interests 2022 $'m	Forward liability to acquire non-controlling interests 2021 $'m	Contingent consideration 2022 $'m	Contingent consideration 2021 $'m
At 1 January	37	35	39	35
Arising from business combination	–	–	46	–
Total fair value changes recognised in income statement	(23)	–	(8)	3
Finance costs	–	3	–	1
Settlements during the year	–	–	(31)	–
Translation differences	(1)	(1)	–	–
At 31 December	13	37	46	39

The fair values of the forward liability and contingent consideration are estimated based on the present value of expected payments based on estimates from the associated probabilities of achieving performance targets by the investee and the expected payment amount.

Apart from contingent consideration which arose from MR Broadband acquisition that will change by $7 million from a 5% movement in future results, changes in other significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

The fair value of the forward liability will increase/(decrease) if the expected average financial performance of Strateq is higher/(lower).

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Financial risk management objectives and policies

U Mobile Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors of U Mobile Group reviewed and agreed on the policies and procedures for the management of these risks, which are executed by the Head of Finance of U Mobile Group. U Mobile Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the businesses whilst managing its interest rate risk, liquidity risk, credit risk and foreign currency risk.

The following sections provide details regarding U Mobile's group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. U Mobile Group has no significant interest-bearing financial assets, however its interest-bearing loans are exposed to interest rate risk. U Mobile Group's income and operating cash flows are substantially independent of changes in market interest rates. U Mobile Group's exposure to interest rate risk arises primarily from its short term deposits with licensed banks and term loan facility.

Sensitivity analysis

An increase/decrease in the interest rates by 500 basis points (2021: 500 basis points) with all other variables remaining constant, does not have a material impact on U Mobile Group's profit before taxation.

Liquidity risk

Liquidity risk is the risk that U Mobile Group will encounter difficulties in meeting financial obligations due to shortage of funds. U Mobile Group manages its liquidity risk by closely monitoring the maturity profile of its debt. Where there are anticipated funding requirements, U Mobile Group discusses them with the shareholders with the view of considering available financing options to meet its current financial obligation. It is the shareholders' express intention that it will ensure that U Mobile Group will continue to operate as a going concern. As part of its overall liquidity management, U Mobile Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The table below summarises the maturity profile of U Mobile Group's liabilities at the reporting date based on the contractual undiscounted repayment obligations.

	Total S'm	Within 1 year S'm	Within 2 to 5 years S'm	After 5 years S'm
2022				
Trade and other payables	(1,200)	(410)	(790)	–
Loans and borrowings	(998)	(149)	(773)	(76)
	(2,198)	(559)	(1,563)	(76)
2021				
Trade and other payables	(1,420)	(573)	(847)	–
Loans and borrowings	(907)	(158)	(668)	(81)
	(2,327)	(731)	(1,515)	(81)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty defaults on its obligations. U Mobile Group's exposure to credit risk arises primarily from trade and other receivables and cash and cash equivalents. Credit risk is managed by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting U Mobile Group's associations only to business partners with high creditworthiness. Deposits are placed only with reputable licensed financial institutions.

The maximum credit exposure on trade receivables is limited to the carrying amount of the receivables less allowance for ECL, whereas the maximum exposure for other receivables and cash and cash equivalents are the reported carrying amounts in the financial statements.

U Mobile Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

U Mobile Group performs impairment analysis at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. U Mobile Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly individual subscribers who subscribe to U Mobile Group's services.

	ECL rate %	Gross carrying amount $'m	Allowance for ECL $'m
2022			
Current	2%	54	1
1 to 30 days past due	37%	3	1
31 to 60 days past due	79%	1	1
61 to 90 days past due	97%	1	1
91 to 120 days past due	98%	1	1
121 to 150 days past due	100%	1	1
151 days and above	100%	26	26
		87	32
2021			
Current	2%	46	1
1 to 30 days past due	25%	3	1
31 to 60 days past due	67%	1	1
61 to 90 days past due	86%	–	–
91 to 120 days past due	91%	–	–
121 to 150 days past due	94%	–	–
151 days and above	100%	24	24
		74	27

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

U Mobile Group has transactional currency exposures arising from services performed or purchases that are denominated in a currency other than the functional currency of U Mobile Group. The foreign currencies in which these transactions are denominated are mainly US dollars, Euro dollars, and Special Drawing Rights. Special Drawing Rights is a basket of currencies which is used to denominate international roaming transactions.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis

A 5% strengthening/weakening of US dollars against the Malaysia Ringgit will result in U Mobile Group's profit before taxation to be lower/(higher) by $7 million (2021: $13 million). The analysis is performed on the same basis for 2021.

Other than as disclosed above, other foreign currencies are assessed to be not material to the financial results of U Mobile Group.

Estimation of fair values

The carrying amounts of cash and cash equivalents, short term receivables, payables and short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.

Hire purchase payables

The fair value of the hire purchase payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the reporting date.

Loans and borrowings

The carrying amounts of the current and non-current portion of loans and borrowings other than RCPS are reasonable approximations of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Derivative financial instruments

Derivatives are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rates.

(d) STT GDC Pte. Ltd. and its subsidiaries ("STT GDC Group")

Financial risk management objectives and policies

STT GDC Group has exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk arising from the normal course of its business. STT GDC Group has established processed for monitoring the risks.

Credit risk

Credit risk is the risk of financial loss to STT GDC Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from STT GDC Group's trade receivables from customers. STT GDC Group has credit guidelines in place and the exposure to credit risk is monitored on an ongoing basis. Periodic credit reviews and counterparty credit limits are practised.

The carrying amount of financial assets and contract assets in the statement of financial position represent STT GDC Group's maximum exposure to credit risk, before taking into account any collateral held. STT GDC Group does not require collateral in respect of financial assets.

At 31 December 2022, STT GDC Group has two (2021: two) major customers representing 52.5% (2021: 51.5%) of trade receivables.

Expected credit loss ("ECL") assessment

STT GDC Group's primary exposure to credit risk arises through its trade receivables and contract assets. In monitoring customer credit risk, STT GDC Group allocates exposure to credit risk by segmenting customers based on geographical location.

In Singapore and United Kingdom, customers are segmented by customer type and an ECL rate is calculated for each customer type based on probabilities of default and loss given default. Lifetime probabilities of default are based on published external sources. Loss given default parameters generally reflect an assumed recovery rate of 0%. STT GDC Group monitors changes in credit risk by tracking the probabilities of default from published external sources. Loss allowances are adjusted for current conditions and STT GDC Group's view of economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

In India, STT GDC Group uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off, and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and STT GDC Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth rates.

The table below shows an analysis of exposure to credit risk for trade and unbilled receivables, contract assets and trade balances with related parties by geographic location.

	Weighted average loss rate %	Gross carrying amount S'm	Expected credit loss allowance S'm	Credit impaired loss allowance S'm	Total loss allowance S'm
2022					
Singapore	0.8	94	(1)	–	(1)
India	1.3	48	(1)	(1)	(2)
United Kingdom	1.9	112	(2)	–	(2)
		254	(4)	(1)	(5)
2021					
Singapore	0.2	54	–	–	–
India	1.8	30	(1)	(1)	(2)
United Kingdom	0.2	119	–	–	–
		203	(1)	(1)	(2)

STT GDC Group measures loss allowance for non-trade balances using the general approach (12-month ECL) which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

STT GDC Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for non-trade balances and considers that its cash and cash equivalents have low credit risk based on the probabilities of default of the counterparties from external sources. Cash and cash equivalents and derivatives are mainly held with banks of high credit ratings assigned by international credit-rating agencies. The amount of allowance is negligible.

Liquidity risk

Liquidity risk is the risk that STT GDC Group will not be able to meet its financial obligations as they fall due.

STT GDC Group monitors its liquidity risk and actively manages its operating cash flows, debt maturity profile and availability of funding. STT GDC Group also maintains sufficient level of liquid assets and has available funding through diverse sources of committed and uncommitted credit facilities from banks and loans from its related parties.

The following are the undiscounted contractual maturities of non-derivative financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount S'm	Total S'm	Within 1 year S'm	2 to 5 years S'm	After 5 years S'm
2022					
Non-derivative financial liabilities					
Balances with related parties	(722)	(768)	(29)	(739)	–
Borrowings	(2,751)	(3,188)	(448)	(2,150)	(590)
Trade and other payables	(473)	(474)	(437)	(37)	–
Lease liabilities	(676)	(1,062)	(75)	(278)	(709)
	(4,622)	(5,492)	(989)	(3,204)	(1,299)
Derivative financial instruments					
Derivative liabilities – interest rate swaps used for hedging (net settled)	(86)	86	44	42	–
Derivative assets – interest rate swaps	(1)	1	1	–	–
	(87)	87	45	42	–
2021					
Non-derivative financial liabilities					
Balances with related parties	674	(726)	(11)	(715)	–
Borrowings	2,521	(2,920)	(133)	(2,164)	(623)
Trade and other payables	301	(301)	(284)	(17)	–
Lease liabilities	739	(1,192)	(75)	(296)	(821)
	4,235	(5,139)	(503)	(3,192)	(1,444)
Derivative financial instruments					
Derivative liabilities – interest rate swaps used for hedging (net settled)	2	(2)	(2)	–	–
Derivative assets – interest rate swaps	(24)	24	–	24	–
	(22)	22	(2)	24	–

STT GDC Group has secured bank loans and unsecured medium term notes which contain debt covenants. A future breach of these covenants may require STT GDC Group to repay the borrowings earlier than indicated in the table above. The covenants are monitored on a regular basis by STT GDC Group Treasury department and regularly reported to management to ensure compliance with the agreements.

For derivative financial instruments, the cash inflows represent the contractual undiscounted cash flows relating to these financial instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Net-settled derivative financial assets are included in the maturity analysis as they are held to hedge the cash flow variability of STT GDC Group's floating rate loans.

Interest rate risk

STT GDC Group's exposure to changes in interest rates relates primarily to its floating rate debt obligations. Derivate financial instruments such as interest rate swaps and interest rate caps may be used, when appropriate and based on market conditions, to reduce exposure to floating interest rate risk.

STT GDC Group adopts a policy of ensuring that at least 50% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. STT GDC Group applies a hedge ratio of 1:1.

STT GDC Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

STT GDC Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and STT GDC Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as 'IBOR reform'). STT GDC Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

STT GDC Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 and 31 December 2021 included secured bank loans indexed to Singapore Dollar ("SGD") Swap Offer Rate ("SOR"), Singapore Overnight Rate Average ("SORA") and Sterling Overnight Index Average ("SONIA"). In the prior year, STT GDC Group completed the process of modifying bank loans indexed to Sterling LIBOR and SOR to reference SONIA and SORA respectively. In respect of SOR exposures on secured bank loans amounting to $250 million (2021: $186 million), STT GDC Group expects to fully repay such loans prior to the discontinuation of SOR by the end of June 2023.

STT GDC Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR or SORA. In the prior year, STT GDC Group replaced some of its SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SORA. In respect of the remaining SOR exposure on interest rate swap contracts amounting to $116 million (2021: $116 million), STT GDC Group does not expect these cash flow hedging relationships to extend beyond the anticipated cessation date for SOR.

In the prior year, STT GDC Group evaluated that there was no longer uncertainty about when and how replacement might occur with respect to the relevant hedged items and hedging instruments.

At the reporting date, STT GDC Group has outstanding derivative financial instruments used for hedging of floating rate interest obligations with notional amounts as follows:

	2022 $'m	2021 $'m
Interest rate swap contracts	1,126	1,131
Interest rate caps	78	86
Interest rate floor	380	432

Exposure to interest rate risk

At the reporting date, the effective interest rates of the interest-bearing financial liabilities were as follows:

	Effective interest rate %	Total $'m	Floating rate $'m	Fixed rate $'m
2022				
Financial liabilities				
Loans from immediate holding company	2.80 – 5.96	667	–	667
Bank loans	2.83 – 9.70	2,128	2,128	–
Medium term notes	3.13 – 3.59	623	–	623
Effect of interest rate swap	0.24 – 2.07	–	(1,126)	1,126
		3,418	1,002	2,416
2021				
Financial liabilities				
Loans from immediate holding company	2.80 – 4.30	647	–	647
Bank loans	1.32 – 7.75	1,898	1,898	–
Medium term notes	3.13 – 3.59	623	–	623
Effect of interest rate swap	0.24 – 2.07	–	(1,131)	1,131
		3,168	767	2,401

Sensitivity analysis

An increase in the interest rate by100 basis points (2021: 100 basis points), with all other variables remaining constant, would have increased STT GDC Group's loss before tax by approximately $10 million (2021: $8 million). A decrease in the interest rate by 100 basis points (2021: 100 basis points) would have the equal but opposite effect to the STT GDC Group's loss before tax.

Cash flow hedges

STT GDC Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	Within 1 year S'm	**Between 1 to 5 years S'm**
2022		
Interest rate swaps		
Net exposure	217	909
Average fixed interest rate	1.44%	0.50%
2021		
Interest rate swaps		
Net exposure	217	–
Average fixed interest rate	1.44%	–

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness S'm	**Cash flow hedge reserve S'm**	**Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied S'm**
2022			
Interest rate risk			
Secured long-term bank loan	(89)	74	–
2021			
Interest rate risk			
Secured long-term bank loan	1	2	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	2022								
	Nominal amount S'm	**Assets S'm**	**Liabilities S'm**	**Line item in the balance sheet where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI S'm**	**Hedge ineffectiveness recognised in profit or loss S'm**	**Line item in profit or loss that includes hedge ineffectiveness**	**Amount reclassified from hedging reserve to profit or loss S'm**	**Line item in profit or loss affected by the reclassification**
Interest rate risk									
Interest rate swaps	1,126	86	–	Derivative assets	73	4	Finance income	–	Finance income

	2021							
	Nominal amount S'm	**Assets S'm**	**Liabilities S'm**	**Line item in the balance sheet where the hedging instrument is included**	**Hedge ineffectiveness recognised in profit or loss S'm**	**Line item in profit or loss that includes hedge ineffectiveness**	**Amount reclassified from hedging reserve to profit or loss S'm**	**Line item in profit or loss affected by the reclassification**
Interest rate risk								
Interest rate swaps	217	1	(2)	Derivative liabilities	2	Finance income	2	Finance costs

Foreign currency risk

STT GDC Group has foreign exchange risk on transactions that are denominated in currencies other than the respective functional currencies of the STT GDC Group's entities. As at 31 December 2022, the currencies giving rise to this risk are primarily the British Pound Sterling ("GBP") and United States Dollar ("USD").

STT GDC Group's exposures to the GBP and USD are as follows:

	GBP S'm	USD S'm
31 December 2022		
Financial assets		
Cash and cash equivalents	1,167	1
Trade and other receivables	1	1
Other financial assets	–	105
	1,168	107
Financial liabilities		
Trade and other payables	(26)	(38)
Net exposure	1,142	69

In the prior year, the STT GDC Group's exposure to foreign currency risk was not significant.

Sensitivity analysis

In 2022, a reasonably possible 1% strengthening of the Singapore dollar against the GBP and USD at the reporting date, with all other variable remaining constant, would have decreased the STT GDC Group's profit before tax by $11 million and $1 million respectively. A 1% weakening of the Singapore dollar against the GBP and USD would have the equal but opposite effect to the STT GDC Group's profit before tax.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of STT GDC Group.

Interest bearing borrowings and balances with related parties

No fair value is calculated for the floating rate loans as STT GDC Group believes that the carrying amounts, which are repriced within one year of reporting date reflect their corresponding fair value.

The fair value of the medium term notes is $586 million (2021:$643 million) calculated based on the quoted market prices as at the reporting dates.

Financial assets and liabilities at amortised cost

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, balances with related parties and lease liabilities) are assumed to approximate their fair values due to the short period to maturity.

The fair value of long-term receivables and payables are estimated based on the expected cash flows discounted to present value. The carrying amounts of these long-term receivables and payables approximate their fair value.

Derivatives

Marked to market valuations of the interest rate swaps, interest rate caps and interest rate floor are provided by the banks. These quotes are independently tested using alternative pricing models or discounted cash flow techniques.

Debt investments at FVTPL

During the year, STT GDC Group subscribed for US$100 million ($136 million) of convertible bonds issued by its associate, GDS. The bonds will mature on 8 March 2029, are convertible into American Depository Shares ("ADS") listed on Nasdaq at a conversion price of US$50 per ADS and bears interest of 0.25% per annum, payable semi-annually. As at 31 December 2022, the fair value of the investment in convertible bonds amounted to $105 million, determined using a Monte-Carlo simulation methodology with the following key inputs:

	2022
Credit spread	1.45%
Discount of lack of marketability	13.95%

Put option liability

In 2020, STT GDC's wholly-owned subsidiary, STT INDC entered into a put option agreement to grant the NCI a right to require STT GDC to purchase the NCI's equity shares. The NCI's right to exercise the put option will start from September 2023 and expire in September 2030. During the year, the NCI increased its investment in the subsidiary by $19 million (2021: $3 million). As at 31 December 2022 and 2021, the carrying value of the put option liability is estimated based on the NCI's cumulative investment in the subsidiary as the subsidiary is not operational yet.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value, using Level 1, Level 2 and Level 3 valuation method, at the reporting date:

	Fair value level	2022 S'm	2021 S'm
Financial assets			
Interest rate swaps designated as hedging instruments	2	86	–
Interest rate swaps	2	–	24
Interest rate caps	3	1	–
Debt investments at FVTPL	2	105	–
Equity investments at FVOCI	3	5	4
Financial liabilities			
Interest rate swaps designated as hedging instruments	2	–	2
Put option liability	2	22	3

38 Capital management

The Company regularly reviews its balance sheet structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns and proper strategic positioning.

From time to time, the related parties, excluding operating companies, may purchase the shares of its subsidiaries and associates on the market; the timing of these purchases depends on market prices, amongst other factors. Such share purchases are intended to maintain the Group's shareholding in its subsidiaries and affiliates.

The capital employed by the Company consists of equity attributable to shareholders. There were no changes in the Company's approach to capital management during the year.

Certain companies in the Group are subject to certain financial covenants including tangible net worth, net debt, security value and net cash available for debt servicing under its loan facilities. Management of these companies in the Group monitors these covenants on a regular basis to ensure compliance.

39 Acquisitions and disposals of subsidiaries

The following are the significant transactions by the Group:

(i) Acquisition of remaining interests in Cloud Comrade and CloudCover

During the year, the Group's wholly-owned subsidiary, STT InTech, completed the acquisitions of the non-controlling interests in Cloud Comrade and CloudCover for consideration of $8 million and $21 million, respectively. Following the completion of the acquisitions, Cloud Comrade and CloudCover became wholly-owned subsidiaries of the Group.

(ii) Dilution of equity interest in Virtus

On 22 December 2022, the Group's wholly-owned subsidiary, STT UKDC, sold 40% of its equity interest in Virtus for a consideration net of transaction costs of $1,209 million. Following the completion of the sale, the Group's shareholdings in Virtus decreased from 100% to 60%. Virtus remained as a subsidiary of the Group as the partial disposal did not result in loss of control over Virtus. Accordingly, the gain on dilution of interest in subsidiary of $983 million was accounted for as an equity transaction in the consolidated statement of changes in equity.

In addition, as at 31 December 2022, the Group recorded an indemnification liability of $24 million to indemnify the buyer against certain costs which might be incurred by Virtus.

(iii) Dilution of equity interest in Ensign Group

During the year, the non-controlling interest shareholder increased its capital contribution by $18 million (2021: $21 million) in Ensign, decreasing StarHub Group's ownership from 56.9% to 55.7% (2021: 58.4% to 56.9%).

(iv) JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. ("JOS Entities")

On 3 January 2022, StarHub Group completed the acquisitions of 60% equity interest in JOS (SG) Pte. Ltd. ("JOS SG") and JOS (Malaysia) Sdn. Bhd. ("JOS MY"), collectively known as "JOS Entities", for a total consideration of $13 million.

The business of JOS Entities is the provision of end-user computing, IT maintenance and infrastructure support services. The acquisition will allow StarHub Group to strengthen its Information and Communication Technology ("ICT") capabilities, enterprise solution offerings and customer footprint across Singapore and Malaysia.

Since the acquisition date to 31 December 2022, JOS Entities contributed revenue of $120 million and profit after tax of $3 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue and consolidated profit for the year would not be materially different. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022 S'm
Property, plant and equipment	1
Intangible assets	7
Right-of-use assets	7
Other net assets	10
Lease liabilities	(9)
Deferred tax liabilities	(1)
Total identifiable net assets	15

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (Brands)	*Relief from royalty method*: The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the registered trademarks in their respective territories.
Intangible assets (Customer relationships)	*Multi-period excess earnings method*: The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Trade receivables comprise gross contractual amounts due of $13 million, of which $1 million was expected to be uncollectible at the date of acquisition.

Goodwill

Goodwill arising from the acquisitions have been recognised as follows:

	2022 S'm
Total purchase consideration	13
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	6
Fair value of identifiable net assets	(15)
Goodwill	4

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiaries into StarHub Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

(v) MyRepublic Broadband Pte. Ltd. ("MR Broadband")

On 21 March 2022, StarHub Group completed the acquisition of 50.1% equity interest in MR Broadband, which provides broadband services in Singapore for residential and enterprise customers, for a total consideration of $118 million. This acquisition will consolidate and strengthen StarHub Group's position in the Singapore broadband market to steer long-term business growth. Consideration for the acquisition of MR Broadband comprises an initial consideration of $72 million and contingent consideration estimated at present value of $46 million.

Since the acquisition date to 31 December 2022, MR Broadband contributed revenue of $53 million and profit after tax of $7 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue would have increased by $17 million, and consolidated loss for the year decreased by $4 million. In determining these amounts, management assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	2022 $'m
Total purchase consideration	118
Less: Contingent consideration	(46)
Less: Cash and cash equivalents in subsidiary acquired	(2)
Less: Net settlement of loans to MR HoldCo	(31)
Net cash outflow on acquisition	39

Contingent consideration

The contingent consideration to be paid is derived based on a formula that is dependent on the future results of MR Broadband and is capped at a maximum of $92 million. The Group has included $46 million, as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition, using a risk-adjusted discount rate of 2.6%.

The determination of the fair value of the contingent consideration requires significant management judgement and assumptions, based on estimates from the associated probability of achieving performance targets by MR Broadband and the expected payment amount.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022
	S'm
Property, plant and equipment	7
Intangible assets	57
Right-of-use assets	1
Other net liabilities	(10)
Cash and cash equivalents	2
Lease liabilities	(1)
Deferred tax liabilities	(10)
Total identifiable net assets	46

Measurement of fair values

Management has engaged external firms of specialists to perform the purchase price allocation, including valuation of the identified assets and liabilities. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	**Valuation techniques**
Intangible assets (Brands)	*Relief from royalty method*: The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the Right of Use of the Brand, incorporating the key parameters such as estimated royalty rate and the useful life of the right of use of brands.
Intangible assets (Customer relationships)	*Multi-period excess earnings method*: The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Goodwill

Goodwill arising from the acquisition had been recognised as follows:

	2022
	S'm
Total purchase consideration	118
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	23
Fair value of identifiable net assets	(46)
Goodwill	95

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiary into StarHub Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

(vi) Aptitive LLC ("Aptitive")

On 31 December 2021, the Group's subsidiary, 2nd Watch, acquired a 100% stake in Aptitive, an analytics and data consulting company, for a total consideration of US$18 million (equivalent to $25 million) comprising US$15 million cash (equivalent to $20 million) and US$3 million (equivalent to $5 million) in shares of 2nd Watch, giving rise to goodwill of US$14 million (equivalent to $20 million). The net cash outflow on acquisition was US$13 million (equivalent to $18 million).

40 Commitments

Operating lease commitments – as lessor

The Group has some contracts with customers which are classified as operating leases and colocation contracts that contain lease components. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2022	2021
	$'m	$'m
Operating leases		
Less than one year	38	18
One to two years	23	19
Two to three years	22	18
Three to four years	20	17
Four to five years	17	15
More than five years	74	76
	194	163

Capital commitments

	Group	
	2022	2021
	$'m	$'m
Capital expenditure	869	1,087

41 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic operating subsidiaries. The strategic operating subsidiaries are managed separately by different boards of directors. For each of the strategic operating subsidiaries, the Group's executive director reviews internal management reports on at least a quarterly basis. The principal activities of these strategic operating subsidiaries are those relating to the operation and provision of telecommunications services, other businesses relating to the info-communication industry and provision of data centre co-location services.

Group	StarHub 2022 S'm	StarHub 2021 S'm	TeleChoice 2022 S'm	TeleChoice 2021 S'm	U Mobile 2022 S'm	U Mobile 2021 S'm	STT GDC 2022 S'm	STT GDC 2021 S'm	Others 2022 S'm	Others 2021 S'm	Eliminations 2022 S'm	Eliminations 2021 S'm	Unallocated 2022 S'm	Unallocated 2021 S'm	Consolidated 2022 S'm	Consolidated 2021 S'm
Revenue and expense																
External revenue	2,324	2,041	222	173	1,016	1,046	1,041	842	124	102	–	–	–	–	4,727	4,204
Inter-segment revenue	3	2	11	21	1	–	19	19	2	1	(36)	(43)	–	–	–	–
Total revenue	2,327	2,043	233	194	1,017	1,046	1,060	861	126	103	(36)	(43)	–	–	4,727	4,204
Represented by:																
Sale of equipment	439	431	138	106	58	78	–	–	–	–	(2)	(4)	–	–	633	611
Mobile revenue	564	532	2	2	959	968	–	–	–	–	(2)	(1)	–	–	1,523	1,501
Entertainment revenue	216	180	–	–	–	–	–	–	–	–	–	–	–	–	216	180
Broadband revenue	242	194	–	–	–	–	–	–	–	–	–	–	–	–	242	194
Enterprise fixed revenue	866	706	–	–	–	–	–	–	–	–	(2)	(1)	–	–	864	705
Data centre co-location services	–	–	–	–	–	–	1,060	861	–	–	(19)	(19)	–	–	1,041	842
e-Business solutions and consulting services	–	–	–	–	–	–	–	–	126	102	(3)	(1)	–	–	123	101
Maintenance and installation services	–	–	93	86	–	–	–	–	–	1	(8)	(17)	–	–	85	70
Total revenue	2,327	2,043	233	194	1,017	1,046	1,060	861	126	103	(36)	(43)	–	–	4,727	4,204
Segment profit/(loss) before tax	93	190	(11)	(3)	18	(22)	(228)	(95)	(172)	(65)	(3)	(7)	(14)	(9)	(317)	(11)
Income tax expense	(23)	(40)	(1)	–	(22)	24	–	–	(1)	–	–	–	–	–	(47)	(16)
Segment profit/(loss) after tax	70	150	(12)	(3)	(4)	2	(228)	(95)	(173)	(65)	(3)	(7)	(14)	(9)	(364)	(27)
Depreciation, amortisation and impairment	(312)	(279)	(5)	(5)	(284)	(295)	(286)	(242)	(7)	(8)	1	1	(2)	(1)	(895)	(829)
Finance income	8	4	–	–	1	40	11	43	–	3	–	–	14	2	34	92
Finance cost	(45)	(49)	(1)	(1)	(122)	(161)	(205)	(151)	(3)	(5)	77	105	(48)	(47)	(347)	(309)
Share of results of associates and joint ventures	4	2	–	–	–	–	(113)	(121)	(25)	(57)	–	–	–	–	(134)	(176)
Assets and liabilities																
Segment assets	3,600	3,716	110	115	2,173	2,278	7,401	5,488	406	538	(53)	(80)	613	1,254	14,250	13,309
Interests in associates and joint ventures	43	36	2	2	-	–	1,744	1,861	72	106	(28)	(26)	–	–	1,833	1,979
Total segment assets	3,643	3,752	112	117	2,173	2,278	9,145	7,349	478	644	(81)	(106)	613	1,254	16,083	15,288
Capital expenditure	233	182	1	1	42	247	808	887	3	1	–	–	–	–	1,087	1,318
Segment liabilities	2,450	2,547	69	59	2,313	2,423	5,085	4,525	65	116	(1,556)	(1,579)	1,348	1,382	9,774	9,473

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical locations of the primary place of operations of the investments.

	Group	
	2022	**2021**
	S'm	**S'm**
Revenue		
Singapore	2,655	2,301
Malaysia	1,180	1,144
United Kingdom	430	369
India	307	252
Others	155	138
	4,727	4,204
Non-current assets*		
Singapore	3,497	3,461
Malaysia	1,872	1,972
United Kingdom	2,355	2,382
People's Republic of China	1,535	1,823
United States	180	227
India	1,120	1,094
Others	426	41
	10,985	11,000

**excludes financial instruments and deferred tax assets*

42 Subsequent events

Dividend to shareholder

The directors of the Company have proposed a final tax-exempt (one-tier) dividend totalling $29 million in respect of the financial year ended 31 December 2022. The dividend amount is in respect of the Series C RCPS as at 31 December 2022 (Note 19). This final dividend has not been recognised as at year end and will be submitted for shareholder's approval at the forthcoming Annual General Meeting of the Company in 2023.

Dividend from StarHub

In April 2023, the shareholders of StarHub approved a final dividend of $0.025 per share, tax-exempt (one-tier), totalling $43 million in respect of the financial year ended 31 December 2022. This final dividend has not been recognised as at year end. The final dividend is estimated to reduce the Group's cash and cash equivalents and non-controlling interests by approximately $19 million.

Payment of deferred consideration for investment in Globe STT GDC

On 31 March 2023, the Group paid the remaining consideration of PHP1.4 billion (equivalent to $34 million) for the acquisition of 40% equity interest in Globe STT GDC.