

SINGAPORE TELECOMMUNICATIONS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D

ANNOUNCEMENT

**UNAUDITED NET EXCEPTIONAL LOSSES OF SINGTEL GROUP
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 MARCH 2021**

Singapore Telecommunications Limited ("**Singtel**") wishes to announce that the results for the second half and financial year ended 31 March 2021 are expected to include net exceptional losses of S\$839 million and S\$1.21 billion respectively. The figures are subject to finalisation as the statutory audits of Singtel and its subsidiaries ("**the Group**") are ongoing. The audited financial statements of the Group for the financial year ended, and as at, 31 March 2021, will be announced on 27 May 2021.

Impairment of intangible assets and goodwill in Amobee, Inc. ("Amobee**") and Global Cyber Security Business¹**

As part of the Group's review of major investments, the recoverable values of Amobee and Global Cyber Security Business have been assessed to be below their carrying values as at 31 March 2021. Consequently, the Group is expected to record non-cash impairment charges of US\$438 million (S\$589 million) and US\$250 million (S\$336 million) to the intangible assets and goodwill of Amobee and Global Cyber Security Business respectively in the second half year. The impairment charges are based on the Group's best estimates. The remaining carrying values of Amobee and Global Cyber Security Business will be US\$380 million (S\$511 million) and US\$517 million (S\$695 million) respectively.

Singtel has embarked on a strategic review to consider options for Amobee and Global Cyber Security Business in order to sharpen the Group's focus and ensure that these assets are positioned for growth. These options may include, among others, restructuring of product or business segments, a full or partial divestment or business combinations with other industry players.

Singtel Optus Pty Limited's ("Optus**") exceptional charges**

With the completion of the National Broadband Network (NBN) rollout in Australia and the subsequent migration of customers, Optus has undertaken a comprehensive review of its network assets. It expects to record non-cash impairment charges of A\$197 million (S\$204 million) due mainly to its legacy fixed access networks that will no longer be used.

Consistent with other major corporations in Australia, Optus is undertaking a programme to review its staff compensation and will record an exceptional charge of A\$98 million (S\$101 million) in the second half year. This programme includes staff payroll adjustments, professional fees as well as remediation of Optus' systems and processes.

¹ Comprise the cyber security businesses across Singtel Group, including Trustwave Holdings, Inc.

Other exceptional items

The exceptional losses will be partially offset by exceptional gains which included an estimated gain of S\$98 million arising from the dilution in Singtel's effective shareholding in Bharti Airtel Limited ("**Airtel**") from 31.9% to 31.7% after shares were issued by Airtel as partial consideration for the acquisition of equity interest in Bharti Telemedia Limited in March 2021.

See **Appendix 1** for more information on Singtel Group's net exceptional losses. The exceptional items for the third quarter and nine months ended 31 December 2020 have been disclosed in Singtel's Business Update dated 10 February 2021.

Issued by Singapore Telecommunications Limited on 14 May 2021.

Appendix 1

SINGTEL GROUP
NET EXCEPTIONAL LOSSES (UNAUDITED)
FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 MARCH 2021

	Half Year				Year	
	31 Mar				31 Mar	
	2021			2020	2021	2020
	Q3 S\$ m	Q4 S\$ m	H2 S\$ m	H2 S\$ m	S\$ m	S\$ m
Exceptional losses						
Impairment of intangible assets and goodwill of:						
- Amobee	-	(589)	(589)	(195)	(589)	(195)
- Global Cyber Security Business	-	(336)	(336)	-	(336)	-
Optus' exceptional charges						
- Impairment of property, plant and equipment	-	(204)	(204)	-	(204)	-
- Payroll review programme and other charges	-	(101)	(101)	-	(101)	-
Staff restructuring costs	*	(8)	(9)	(20)	(18)	(50)
Deconsolidation of HOOQ	-	-	-	(86)	-	(86)
Others	(1)	(9)	(10)	(16)	(11)	(22)
	(1)	(1,247)	(1,248)	(317)	(1,259)	(353)
Exceptional gains						
Gain on dilution of interest in Airtel	-	98	98	582	647	670
Gain on sale of properties	-	6	6	90	6	97
Others	-	1	1	-	1	2
	-	105	105	673	654	768
Net exceptional (losses)/ gains (pre-tax)	(1)	(1,143)	(1,144)	356	(604)	416
Tax credit	-	93	93	3	95	9
Group exceptional items (post-tax)	(1)	(1,049)	(1,050)	359	(509)	424
Share of associates' exceptional items (post-tax) ⁽¹⁾	117	95	211	(302)	(701)	(1,806)
Net exceptional gains/ (losses) (post-tax)	116	(955)	(839)	57	(1,210)	(1,382)

“*” denotes less than -S\$0.5 million

Note:

(1) Share of associates' exceptional items for Q4 FY2021 included Telkomsel's estimated gain on tower sales and Globe's estimated tax credit from the reduction in corporate tax rate. Share of net exceptional losses for FY2020 included Airtel's significant provision made for regulatory demands on the Adjusted Gross Revenue matter.