

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

CLARIFICATIONS ON CITI REPORT

We refer to a Citi Research report on Singtel dated 1 August 2023, which alludes to potential downside risk to Citi/consensus estimates on Singtel's net profit for the quarter ended 30 June 2023 due to recent softness in our associate, Telkomsel's results.

The report may have caused unnecessary confusion and the analyst has since corrected it. We would like to clarify that Telkomsel's 21% year-on-year decline in their net profit was driven mainly by fair value revaluation of its investment in GoTo. Singtel adopts a different approach with regards to fair value accounting of Telkomsel's GoTo stake, with GoTo's fair value losses or gains booked directly in the balance sheet, which is consistent with the Group's accounting policies. Hence, any negative impact of GoTo's fair value adjustments on Telkomsel's net profit will not be reflected in Singtel's net profit or underlying net profit, which our dividend policy is based on. Excluding the fair value of investment in GoTo, Telkomsel would have reported a 1% year-on-year increase in net profit.

Fair value revaluations are non-cash in nature and are also not taken into account when Telkomsel determines its dividend payouts to shareholders. Singtel has guided that dividends from the regional associates are expected to be approximately S\$1.3 billion in FY2024 and that guidance has not changed. Singtel is also affirming its dividend policy to pay ordinary dividends at between 60 and 80% of underlying net profit.

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