SINGAPORE TELECOMMUNICATIONS LIMITED
(Company Registration No. 199201624D)

30th Annual General Meeting to be held on 29 July 2022
Responses to substantial and relevant questions

Singapore Telecommunications Limited ("Singtel") would like to thank all shareholders who submitted their questions in advance of our Annual General Meeting ("AGM") which will be convened and held by way of electronic means on Friday, 29 July 2022 at 10.00 a.m. (Singapore time).

Due to some overlaps in the questions received, we have grouped related and similar questions together and provided answers. Please refer to our responses in Appendix 1.

Mr Yuen Kuan Moon, Group CEO, will also be covering some of these questions/topics in greater depth in his presentation during the AGM. The presentation slides will be made available on Singtel's website at the URL https://www.singtel.com/about-us/investor-relations/stock-exchange-announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements on 29 July 2022.

Dated: 28 July 2022

Question 1:

a) **What is management's view and thought process on the timeline (and the path) to underlying net profit restoring to levels where Singtel is able to pay 17.5 cents of dividends (or more) annually, i.e. with the strategic reset into 5G, NCS, datacentres, and other new growth initiatives, when will these bear fruit for investors?**

b) **When can I expect Singtel's dividends to recover to pre-Covid levels?**

We introduced a strategic reset in May 2021, which is built on four pillars:

- Reinvigorating our core business
- Developing new growth engines that capitalise on growth trends
- Unlocking the value of existing assets to reallocate funds to businesses with higher growth opportunities
- And championing people and sustainability

By executing to this reset, our goal is to grow our business, so shareholders can look beyond regular dividends to share price appreciation.

We recognise how important dividends are for our shareholders. We have introduced a capital management framework to ensure sustainable dividends that grow in tandem with earnings and financial flexibility for investments to drive growth.

Our policy is to pay dividends at between 60% and 80% of underlying net profit, barring unforeseen circumstances. Reflecting the earnings turnaround in FY22, we have proposed a final ordinary dividend of 4.8 cents, bringing total dividend to 9.3 cents, an increase of 24% and a payout ratio of 80%. This policy ensures that we can grow our dividend in a sustainable manner in line with earnings and cash flow growth. Where appropriate, we may consider paying special dividends.

Question 2:

Can the board update on the future plan of divestment of assets for the next FY?

We constantly review our portfolio of assets and look to monetise those that do not align or may be less important to our vision. In FY22, we raised about S$2b primarily from the partial divestment of towers in Australia and Airtel Africa.

We have identified around S$3b of assets as targets for recycling in the mid-term, including the re-development of Comcentre and the divestment of Amobee and we will share more in due course. This will allow us to reshape our portfolio and allocate resources to new growth drivers.

Question 3:

Is 5G adoption for both consumers & enterprise meets internal goals? What more can be done to drive the adoption of 5G?

With its blazing fast speeds, low latency and hyperconnectivity, 5G has the potential to transform business models and deliver enhanced services on a scale like never before. To tap into this opportunity, we have invested ahead of the curve to establish leadership in the 5G space including nationwide 5G coverage in Singapore more than 3 years ahead of schedule and speed leadership in Australia.

This has helped us secure more than 480,000 5G customers in Singapore and connect over 2.3m 5G devices in Australia. Applications for the consumer space are still in its infancy, with only fixed wireless access seeing traction in Australia. In the near term, we are focused on developing offerings that will enable more immersive and transformative digital experiences for consumers.

We believe there are more opportunities for 5G applications in the enterprise space. With the world relying increasingly on digital connections, 5G will be a key driver of the digital economy post-COVID. To that end, we have developed additional business opportunities through industry-first platforms, such as Paragon which offers an all-in-one solution for 5G edge computing and cloud services. We are actively testing out these use cases through collaborations with the government and enterprises and are on track to have at least 30 trials running by the first half of 2023.

Commercialisation of these platforms has begun. We won contracts with Micron and Hyundai Motor Group to enhance their manufacturing process, as well as AETOS to power its Integrated Command Centre. The possibilities are endless, and we are actively looking at use cases across industries from smart logistics and transportation to public safety and tourism. We are also exporting Paragon to Optus and our regional associate, AIS, who hope to leverage the solution to differentiate their enterprise offerings.

Question 4:

a) **Does the Board have a strategic roadmap regarding realizing shareholders' value, as typically Singtel has gotten high valuation going by the method of SOTP but its valuation has rarely gotten reflected in its share price?**

b) **When can I expect the share price to recover to pre-Covid levels?**

We have been executing to our strategic reset and are confident it will help to build a differentiated business, raise return on invested capital and drive value creation for shareholders. Our financial performance in FY22 is a strong validation of the progress we have made. Underlying NPAT rose 11% on the back of strong results from Optus, Airtel and NCS, while ROIC increased to 5.4% from 5.0%.

We are cautiously optimistic that this momentum can be sustained. The easing of travel restrictions, and Singapore's foreign worker policy should bode well for our mobile business, while demand for ICT and data centre services will grow as enterprises accelerate their digital transformation.

Having set the foundation for our growth drivers in FY22, we will move faster and stronger in executing our strategy. NCS' investments give it the necessary scale, capabilities and credibility to transform into a regional tech services powerhouse. Our data centre business will add new capacity and tap high-growth markets in the region. Our digibank is slated to launch in Singapore this year, with Indonesia and Malaysia set to follow.

To pursue these opportunities, we will continue to aggressively recycle capital. Last year, we unlocked more than S$2b of capital. In the mid-term, another S$3b of assets could be recycled, including the re-development of Comcentre and the divestment of Amobee just this week.

Our shares are trading at a significant discount to our sum-of-the parts (SOTP) valuation, and we are working hard to change investors' minds and address the valuation gap. As we continue to deliver on our strategy and improvements in ROIC, we expect the market to reflect the true value of Singtel.

Question 5:

Why is there a need for the proposed Remuneration when the current remuneration is quite competitive?

Our board fee structure has been unchanged since 2013 amid increasing competition for high-performing director talents. We engaged an external independent consultant to undertake a benchmarking review of the directors' fee structure and compensation levels, given the increasing responsibilities of the Board in guiding the Group's through its transformation.

As a Group with interests abroad, our board also comprises of international members. As such, director fees should be comparable with both Singapore and global benchmarks to attract and retain directors with the right calibre and experience to navigate the Group's international operations.