

**NETLINK NBN TRUST
AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER
AND
NINE MONTHS ENDED 31 DECEMBER 2019**

Contents

	<u>Page</u>
INTRODUCTION	2
SUMMARY OF THE NETLINK GROUP RESULTS	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
SELECTED NOTES TO THE FINANCIAL STATEMENTS	9
OUTLOOK AND PROSPECT	22
INTERESTED PERSON TRANSACTION ("IPT")	22
CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)	23
CONFIRMATION BY BOARD	23
INDEPENDENT AUDITOR'S REVIEW REPORT	24

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

INTRODUCTION

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed dated 19 Jun 2017 under the laws of the Republic of Singapore. The Trust was dormant from the date of its constitution until it acquired all the units of NetLink Trust (“NLT”) on 19 Jul 2017, the date on which the Trust was listed (“Listing Date”) on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Trust and its subsidiaries taken as a whole shall hereinafter be referred to as “NetLink Group” or “Group”.

The NetLink Group’s nationwide network is the foundation of the Next Generation National Broadband Network (“Next Gen NBN”), over which ultra-high speed internet access is delivered throughout mainland Singapore and its connected islands. The NetLink Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and central offices) of Singapore’s Next Gen NBN. The NetLink Group’s extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

The principal services provided by the NetLink Group are as follows: (i) the use of the NetLink Group’s network for the purpose of end-user fibre connections, currently for broadband, internet-protocol TV and voice-over internet protocol services, (ii) the use of the other passive infrastructure to provide fibre connections, and (iii) the provision of other non-fibre ancillary services.

With respect to the use of the NetLink Group’s network for the purpose of end-user fibre connections, the network provides three separate connections: (a) residential end-user connections, (b) non-residential end-user connections, and (c) non-building address points (“NBAP”) connections. The provision of mandated services set forth in its facilities-based operations licence by the NetLink Group is regulated, whereby the NetLink Group must offer such services to all Qualifying Persons in Singapore, with each requesting Qualifying Person being a Requesting Licensee (“RL”), at regulated prices, without preference or discrimination.

The NetLink Group is the only telco regulated by IMDA under the Regulated Asset Base (“RAB”) regime which allows it to recover the cost of investment, operating expenditure and earn a regulated rate of return for its fibre network assets. About 80% of revenue is derived from RAB-regulated assets, while the remaining 20% is contributed by the provision of other services and rental of space either at regulated rates or under long-term contracts.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

SUMMARY OF THE NETLINK GROUP RESULTS

	Quarter ended 31 Dec			Nine months ended 31 Dec		
	2019 ("Q3 FY20") S\$'000 (Unaudited)	2018 ("Q3 FY19") S\$'000 (Unaudited)	Variance %	2019 ("9M FY20") S\$'000 (Unaudited)	2018 ("9M FY19") S\$'000 (Unaudited)	Variance %
Revenue ⁽¹⁾	91,637	89,012	2.9	277,750	265,717	4.5
EBITDA ⁽²⁾⁽³⁾	67,461	62,834	7.4	202,647	185,065	9.5
EBITDA margin ⁽²⁾⁽³⁾	73.6%	70.6%	3.0 pp	73.0%	69.6%	3.4 pp
Profit after tax ("PAT") ⁽²⁾	21,518	19,630	9.6	65,636	57,339	14.5

Note:

(1) Revenue for Q3 FY20 and 9M FY20 were higher than Q3 FY19 and 9M FY19 by 2.9% and 4.5% respectively. Higher revenue in Q3 FY20 was mainly due to higher residential connections, partially offset by lower installation-related revenue, diversion revenue and ducts and manholes service revenue. Higher revenue in 9M FY20 was mainly due to higher residential connections, non-residential connections and Central Office revenue, partially offset by lower ducts and manholes service and diversion revenue.

(2) EBITDA and PAT for Q3 FY20 were higher than Q3 FY19 by 7.4% and 9.6% respectively. EBITDA and PAT for 9M FY20 were higher than 9M FY19 by 9.5% and 14.5% respectively. The increase in Q3 FY20 EBITDA was mainly due to higher revenue partially offset by higher other operating expenses. The increase in 9M FY20 EBITDA was mainly due to higher revenue and lower other operating expenses, partially offset by higher staff costs.

EBITDA margin for Q3 FY20 at 73.6% was higher than Q3 FY19 by 3.0 percentage point and EBITDA margin for 9M FY20 at 73.0% was higher than 9M FY19 by 3.4 percentage point respectively partly due to the impact from the adoption of Singapore Financial Reporting Standard (International) 16 – Leases ("SFRS(I) 16") where operating leases are capitalised as right-of-use assets and amortised over the period of the lease. Excluding the impact of SFRS(I) 16, EBITDA margin for Q3 FY20 would have been 72.8%, 2.2 percentage point higher compared to 70.6% for Q3 FY19; and for 9M FY20, the EBITDA margin would have been 72.1%, 2.5 percentage point higher compared to 69.6% for 9M FY19. The EBITDA margins of Q3 FY20 and 9M FY20 are higher than the previous corresponding periods due to the higher proportion of revenue contributed from residential connection services which carry higher EBITDA margins.

Further details of the NetLink Group's financial performance are provided in Note 16.

(3) EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group's performance and liquidity, and are not required by, or presented in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

The NetLink Group has adopted a new accounting standard, Singapore Financial Reporting Standard (International) 16 – Leases (“SFRS(I) 16”), for the first time on 1 Apr 2019 using the modified retrospective approach. The cumulative effects of applying the standard is recognised as an adjustment to opening balance of retained earnings on 1 Apr 2019, with no restatement of comparative information. Refer to pages 9 to 11 for the Basis of Preparation and for further details of the impact of applying SFRS(I) 16 on the consolidated statements of financial position and financial results of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	Q3 FY20 S\$'000 (Unaudited)	Q3 FY19 S\$'000 (Unaudited)	Variance (%)	9M FY20 S\$'000 (Unaudited)	9M FY19 S\$'000 (Unaudited)	Variance (%)
Revenue		91,637	89,012	2.9	277,750	265,717	4.5
Other income	2	1,217	815	49.3	3,069	2,366	29.7
Expenses							
Operation and maintenance costs		(6,018)	(5,752)	4.6	(15,629)	(15,078)	3.7
Installation costs		(1,552)	(3,981)	(61.0)	(8,496)	(10,550)	(19.5)
Diversion costs		(794)	(1,612)	(50.7)	(4,825)	(8,897)	(45.8)
Depreciation and amortisation	3	(42,264)	(40,243)	5.0	(126,085)	(120,049)	5.0
Staff costs		(6,693)	(6,190)	8.1	(19,996)	(17,209)	16.2
Finance costs	4	(5,101)	(4,976)	2.5	(15,268)	(14,254)	7.1
Management fee		(242)	(225)	7.6	(748)	(691)	8.2
Other operating expenses	5	(9,689)	(8,742)	10.8	(27,083)	(29,308)	(7.6)
Total expenses		(72,353)	(71,721)	0.9	(218,130)	(216,036)	1.0
Profit before income tax		20,501	18,106	13.2	62,689	52,047	20.4
Income tax credit	6	1,017	1,524	(33.3)	2,947	5,292	(44.3)
Profit after income tax		21,518	19,630	9.6	65,636	57,339	14.5
Profit attributable to:							
Unitholders of the Trust		21,518	19,630	9.6	65,636	57,339	14.5
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss							
Cash flow hedges		(643)	(4,075)	(84.2)	(2,557)	(1,573)	62.6
Total comprehensive income attributable to:							
Unitholders of the Trust		20,875	15,555	34.2	63,079	55,766	13.1
Earnings per unit:							
- basic and diluted		0.55 cents	0.50 cents		1.68 cents	1.47 cents	
Weighted average number of units ('000) in issue for calculation of basic and diluted earnings per unit (Unaudited)							
		3,896,971	3,896,971		3,896,971	3,896,971	

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)

	Note	Group		Trust	
		As at 31 Dec 2019 S\$'000 (Unaudited)	As at 31 Mar 2019 S\$'000 (Audited)	As at 31 Dec 2019 S\$'000 (Unaudited)	As at 31 Mar 2019 S\$'000 (Audited)
ASSETS					
Current assets					
Cash and bank deposits		83,449	148,621	1,280	223
Trade and other receivables		53,219	46,925	29,196	57,624
Contract assets		27,226	28,909	-	-
Finance lease receivables		231	221	-	-
Inventories		5,195	4,738	-	-
Other current assets		2,805	4,116	266	310
		172,125	233,530	30,742	58,157
Non-current assets					
Finance lease receivables		87,485	87,659	-	-
Property, plant and equipment		3,065,682	3,124,527	-	-
Rental deposits		219	667	-	-
Goodwill		746,854	746,854	-	-
Licence		85,386	88,564	-	-
Right-of-use assets ^(a)		12,881	-	-	-
Investment in subsidiaries		-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary		-	-	1,100,000	1,100,000
		3,998,507	4,048,271	3,113,673	3,113,673
Total assets		4,170,632	4,281,801	3,144,415	3,171,830
LIABILITIES					
Current liabilities					
Trade and other payables		53,920	56,023	489	521
Deferred revenue		30,397	21,989	-	-
Loan	8	125,905	-	-	-
Lease liabilities ^(a)		2,070	-	-	-
Current tax liabilities		10,159	1,696	59	-
		222,451	79,708	548	521
Non-current liabilities					
Derivative financial instruments	7	3,337	780	-	-
Loan	8	509,261	634,554	-	-
Lease liabilities ^(a)		13,199	-	-	-
Deferred tax liabilities		524,916	536,907	-	-
		1,050,713	1,172,241	-	-
Total liabilities		1,273,164	1,251,949	548	521
Net Assets		2,897,468	3,029,852	3,143,867	3,171,309
UNITHOLDERS' FUNDS					
Units in issue		3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficit)/ Retained earnings	9	(223,866)	(94,039)	26,689	54,131
Hedging reserve		4,156	6,713	-	-
Total Unitholders' funds		2,897,468	3,029,852	3,143,867	3,171,309

(a) Refer to Basis of Preparation on pages 9 to 11.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

	Group			
	Q3 FY20 S\$'000 (Unaudited)	Q3 FY19 S\$'000 (Unaudited)	9M FY20 S\$'000 (Unaudited)	9M FY19 S\$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficit)/retained earnings at the beginning of period	(147,180)	(38,603)	(94,039)	49,950
Adjustment on adoption of SFRS(I) 16 Leases ^(a)	-	-	(2,173)	-
Restated (accumulated deficit)/retained earnings at the beginning of period	(147,180)	(38,603)	(96,212)	49,950
Profit for the period	21,518	19,630	65,636	57,339
Distribution paid	(98,204)	(95,086)	(193,290)	(221,348)
Accumulated deficit at the end of period	(223,866)	(114,059)	(223,866)	(114,059)
Hedging reserves at the beginning of period	4,799	9,752	6,713	7,250
Other comprehensive losses for the period	(643)	(4,075)	(2,557)	(1,573)
Hedging reserves at the end of period	4,156	5,677	4,156	5,677
Total	<u>2,897,468</u>	<u>3,008,796</u>	<u>2,897,468</u>	<u>3,008,796</u>

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

	Trust			
	Q3 FY20 S\$'000 (Unaudited)	Q3 FY19 S\$'000 (Unaudited)	9M FY20 S\$'000 (Unaudited)	9M FY19 S\$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178	3,117,178	3,117,178
Retained earnings at the beginning of period	54,936	55,198	54,131	78,133
Profit for the period	69,957	66,051	165,848	169,378
Distribution paid	(98,204)	(95,086)	(193,290)	(221,348)
Retained earnings at the end of period	26,689	26,163	26,689	26,163
Total	<u>3,143,867</u>	<u>3,143,341</u>	<u>3,143,867</u>	<u>3,143,341</u>

(a) Refer to Basis of Preparation on pages 9 to 11.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

Group	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000 (Unaudited)	S\$'000 (Restated)	S\$'000 (Unaudited)	S\$'000 (Restated)
Operating activities				
Profit before income tax	20,501	18,106	62,689	52,047
Adjustments for:				
- Depreciation and amortisation	41,571	40,243	124,008	120,049
- Depreciation of right-of-use assets ^(a)	693	-	2,077	-
- Amortisation of transaction fees	204	205	612	612
- Allowance/ (write-back) of impairment for trade receivables	19	(84)	56	(62)
- (Write-back of provision)/provision for stock obsolescence	(17)	55	(101)	61
- Interest expense	4,770	4,771	14,262	13,642
- Interest expense on lease liabilities ^(a)	127	-	394	-
- Interest income	(405)	(490)	(1,395)	(1,285)
- Gain on disposal of property, plant and equipment	-	-	(4)	(1)
- Property, plant and equipment written off	573	562	916	2,019
Operating cash flows before working capital changes	68,036	63,368	203,514	187,082
Changes in working capital:				
- Trade and other receivables ^(b)	(1,828)	3,244	(4,456)	(1,762)
- Contract assets ^(b)	637	(2,507)	1,683	(4,025)
- Trade and other payables	(5,394)	4,562	4,138	6,529
- Inventories	27	(256)	(356)	(925)
Cash generated from operations	61,478	68,411	204,523	186,899
Interest received	366	490	1,424	1,285
Interest paid	(4,732)	(4,836)	(14,259)	(13,625)
Income tax paid	(291)	(2,421)	(581)	(5,751)
Net cash from operating activities	56,821	61,644	191,107	168,808
Investing activities				
Purchase of property, plant and equipment	(16,851)	(17,655)	(60,729)	(57,058)
Proceeds from sale of property, plant and equipment	-	-	4	3
Net cash used in investing activities	(16,851)	(17,655)	(60,725)	(57,055)
Financing activities				
Repayment of lease liabilities ^(a)	(756)	-	(2,256)	-
Payment of loan arrangement fee	-	-	(8)	(8)
Distribution paid	(98,204)	(95,086)	(193,290)	(221,348)
Proceeds from bank loans	-	-	-	45,000
Net cash used in financing activities	(98,960)	(95,086)	(195,554)	(176,356)
Net decrease in cash and cash equivalents	(58,990)	(51,097)	(65,172)	(64,603)
Cash and cash equivalents at beginning of financial period	142,439	152,943	148,621	166,449
Cash and cash equivalents at end of financial period	83,449	101,846	83,449	101,846

(a) Refer to Basis of Preparation on pages 9 to 11.

(b) The NetLink Group adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the first time for the financial year ended 31 Mar 2019 on a retrospective basis. The application of SFRS(I) did not have any significant impact on the financial statements, other than additional disclosures required under SFRS(I) 15 Revenue from Contracts with Customers and SFRS(I) 9 Financial Instruments. Accordingly, comparatives were restated in the NetLink Group’s consolidated statement of cash flows. The NetLink Group’s consolidated cash flows has reclassified unbilled revenue previously classified as “Trade and other receivables” to “Contract assets” for Q3 FY19 and 9M FY19.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Group	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000 (Unaudited)	S\$'000 (Restated)	S\$'000 (Unaudited)	S\$'000 (Restated)
Cash and cash equivalents consist of:				
Cash and bank balances	72,817	93,846	72,817	93,846
Capital expenditure reserve fund ^(c)	10,632	8,000	10,632	8,000
Cash and cash equivalents at end of financial period	83,449	101,846	83,449	101,846

(c) Capex Reserve comprises monies set aside each year for at least 20% of capital expenditure reserve fund, which cumulates to S\$40.0 million over the five-year period from 1 Jan 2018 to 31 Dec 2022, to meet regulatory requirements from Info-communications Media Development Authority ("IMDA") or for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink Group's network infrastructure. On a quarterly basis, NetLink Group will set aside additional funds in the capital expenditure reserve on a pro-rata basis computed based on the yearly requirement of S\$8.0 million. As at 31 Dec 2019, NLT has set aside S\$16.0 million for capital expenditure reserve of which approximately S\$5.4 million were utilised to increase network resiliency and capacity.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group prepares its condensed consolidated interim financial information in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34, *Interim Financial Reporting*. This interim report should be read in conjunction with the most recent audited financial statements for the financial year ended 31 Mar 2019.

The same accounting policies and methods of computation have been applied in the preparation of the financial statements for current financial period as those stated in the most recent audited financial statements for the financial year ended 31 Mar 2019 except for Singapore Financial Reporting Standard (International) 16 – *Leases* (“SFRS(I) 16”) which is effective for the Group from 1 Apr 2019.

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. This resulted in lower rental expenses and higher depreciation of right-of-use assets and finance cost.

The Group has applied SFRS(I) 16 retrospectively with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application, as permitted under the specific transition provisions in the Standard. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 Apr 2019. The right-of-use assets were measured on a retrospective basis as if the Standard had been applied since the commencement date, but discounted using the Group’s incremental borrowing rate as of 1 Apr 2019.

NetLinkNBN

the fibre of a smart nation

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

There is no impact to the Trust as a result of the adoption of SFRS(I) 16. The impact on adoption to the Group are as follows:

Consolidated Statements of Financial Position

	Group
	S\$'000
As at 1 Apr 2019	
ASSETS	
Non-current assets	
Right-of-use assets	14,919
Total assets	<u>14,919</u>
LIABILITIES	
Current liabilities	
Lease liabilities	2,496
Non-current liabilities	
Lease liabilities	14,596
Total liabilities	<u>17,092</u>
Net Liabilities	<u>(2,173)</u>
UNITHOLDERS' FUNDS	
Accumulated deficit	<u>(2,173)</u>
Impact on total Unitholders' funds	<u>(2,173)</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

Consolidated Statements of Profit or Loss and Other Comprehensive Income

The purpose of the table below is for illustration for the financial results of Q3 FY20, Q3 FY19, 9M FY20 and 9M FY19 without the effects of the adoption of SFRS(I) 16:

Group	S\$'000	Q3 FY20	S\$'000	Q3 FY19	Variance
		As reported		Effects of applying SFRS(I) 16	
Expenses					
Operation and maintenance costs	(6,018)	(327)	(6,345)	(5,752)	10.3
Depreciation and amortisation	(42,264)	693	(41,571)	(40,243)	3.3
Finance costs	(5,101)	127	(4,974)	(4,976)	-
Other operating expenses	(9,689)	(429)	(10,118)	(8,742)	15.7
Profit before income tax	20,501	64	20,565	18,106	13.6
Profit after income tax and attributable to Unitholders of the Trust	21,518	64	21,582	19,630	9.9

Group	S\$'000	9M FY20	S\$'000	9M FY19	Variance
		As reported		Effects of applying SFRS(I) 16	
Expenses					
Operation and maintenance costs	(15,629)	(977)	(16,606)	(15,078)	10.1
Depreciation and amortisation	(126,085)	2,077	(124,008)	(120,049)	3.3
Finance costs	(15,268)	394	(14,874)	(14,254)	4.3
Other operating expenses	(27,083)	(1,279)	(28,362)	(29,308)	(3.2)
Profit before income tax	62,689	215	62,904	52,047	20.9
Profit after income tax and attributable to Unitholders of the Trust	65,636	215	65,851	57,339	14.8

(d) Presented only for the purpose of illustrating the financial result of Q3 FY20 and 9M FY20 without the effects of adoption SFRS(I) 16 for comparison with Q3 FY19 and 9M FY19.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

2. OTHER INCOME

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net gain on disposal of property, plant and equipment	-	-	4	1
Interest income	405	490	1,395	1,285
Others ⁽¹⁾	812	325	1,670	1,080
	<u>1,217</u>	<u>815</u>	<u>3,069</u>	<u>2,366</u>

(1) Others consists mainly of income from Fibre Readiness Certification, Restoration Cost Recovery, Notice for Commencement of Earthworks, Plant Route Plans and Penalty Issued to Contractors.

3. DEPRECIATION AND AMORTISATION

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	40,511	39,184	120,830	116,871
Amortisation of license	1,060	1,059	3,178	3,178
Depreciation and amortisation	<u>41,571</u>	<u>40,243</u>	<u>124,008</u>	<u>120,049</u>
Depreciation of right-of-use assets	693	-	2,077	-
	<u>42,264</u>	<u>40,243</u>	<u>126,085</u>	<u>120,049</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

4. FINANCE COSTS

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expense on:				
- Bank loans	4,197	4,232	13,264	11,680
- Lease liabilities ^(e)	127	-	394	-
- Others	33	35	99	105
Financing related costs	357	357	1,073	1,132
Realised loss on interest rate swaps	387	352	438	1,337
	<u>5,101</u>	<u>4,976</u>	<u>15,268</u>	<u>14,254</u>

For cash flow purposes, finance costs do not include amortisation of transaction fees and interest expenses on lease liabilities. Reconciliation to cash flow statement is as below:

Finance costs	5,101	4,976	15,268	14,254
Amortisation of transaction fees	(204)	(205)	(612)	(612)
Interest expense on lease liabilities ^(e)	(127)	-	(394)	-
Interest expense	<u>4,770</u>	<u>4,771</u>	<u>14,262</u>	<u>13,642</u>

5. OTHER OPERATING EXPENSES

The other operating expenses include the following items:

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Property tax	3,999	4,116	12,075	12,340
System maintenance costs	2,170	1,442	5,896	6,875
Provision/ (write-back) of impairment for trade receivables	19	(84)	56	(62)
Property, plant and equipment written off	573	562	916	2,019
(Write-back of provision for)/provision of inventory obsolescence	(17)	55	(101)	61

(e) Interest expenses relating to lease liabilities under SFRS(I) 16.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

6. INCOME TAX CREDIT

The reconciliation between tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period is as follows:

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before income tax	<u>20,501</u>	<u>18,106</u>	<u>62,689</u>	<u>52,047</u>
Income tax expense calculated at a tax rate of 17%	(3,485)	(3,078)	(10,657)	(8,848)
Effect of:				
- Expenses not deductible for tax purpose	(503)	(91)	(794)	(346)
- Tax relief	18	18	53	18
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities [^]	4,949	4,949	14,793	14,793
- Under provision in prior year	(318)	(433)	(479)	(377)
- Others	356	159	31	52
Tax credit attributable to current period's profit	<u>1,017</u>	<u>1,524</u>	<u>2,947</u>	<u>5,292</u>

[^] – Relates to the tax benefit on the tax exempted interest income on the S\$1.1 billion in principal amount of subordinated notes due in year 2037 issued by NLT to the Trust, which are qualifying project debt securities (“QPDS”).

In Dec 2018, NLT received an amended assessment relating to Year of Assessment 2014 from the Inland Revenue Authority of Singapore where certain capital allowances claimed by NLT were reduced. These capital allowances were previously transferred to Singtel group under the group tax relief system. The additional assessments for the Singtel group amounts to S\$120 million. The amended assessment does not result in any tax payable by NLT under the transfer agreement with Singtel group.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

7. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**.

The following tables present the assets and liabilities measured at fair value as at the following balance sheet dates:

Group		Level 1	Level 2	Level 3	Total
31 Dec 2019					
(Unaudited)		S\$'000	S\$'000	S\$'000	S\$'000

Financial liabilities

Derivative financial instruments	-	3,337	-	3,337
----------------------------------	---	-------	---	-------

Group		Level 1	Level 2	Level 3	Total
31 Mar 2019					
(Audited)		S\$'000	S\$'000	S\$'000	S\$'000

Financial liabilities

Derivative financial instruments	-	780	-	780
----------------------------------	---	-----	---	-----

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has S\$636.0 million (31 Mar 2019: S\$636.0 million) bank loan outstanding and has entered into a series of interest rate swaps to convert the variable interest rates on its bank loan into fixed interest rates, for a total notional principal amount of S\$636.0 million (31 Mar 2019: S\$636.0 million) over the period of the bank loan. Accordingly, 100% (31 Mar 2019: 100%) of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

8. GROUP'S BORROWINGS AND DEBT SECURITY

	Group			
	Effective Average Interest rate (%)	As at 31 Dec 2019 S\$'000 (Unaudited)	Effective Average Interest rate (%)	As at 31 Mar 2019 S\$'000 (Audited)
Unsecured borrowings				
Repayable within one year				
- Bank loans (unsecured)	2.67	125,905	-	-
Repayable after one year				
- Bank loans (unsecured)	2.91	509,261	2.82	634,554
		<u>635,166</u>		<u>634,554</u>

Committed revolving credit facility ("RCF") and term loan

Commencement Date	Terms	Utilised As at 31 Dec 2019 S\$'000 (Unaudited)	Utilised As at 31 Mar 2019 S\$'000 (Audited)
		- 24 Mar 2016	S\$510 million Five-Year Term Loan
- 24 Mar 2016	S\$90 million Five-Year RCF	-	-
- 15 Jun 2017	S\$210 million Three-Year RCF	126,000	126,000
		<u>636,000</u>	<u>636,000</u>
	Transaction costs	(834)	(1,446)
		<u>635,166</u>	<u>634,554</u>

9. UNITS IN ISSUE

	Number of units	
	As at 31 Dec 2019 (Unaudited)	As at 31 Mar 2019 (Audited)
Group and Trust		
Balance as at beginning of year and at end of period	3,896,971,100	3,896,971,100

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

10. NET ASSET VALUE

	Group		Trust	
	As at 31 Dec 2019 Units (Unaudited)	As at 31 Mar 2019 Units (Audited)	As at 31 Dec 2019 Units (Unaudited)	As at 31 Mar 2019 Units (Audited)
NAV per unit based on issued units at the end of period (cents)	74.4	77.7	80.7	81.4
Number of units in issue at end of period	3,896,971,100	3,896,971,100	3,896,971,100	3,896,971,100

11. COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follow:

	Group		Trust	
	As at 31 Dec 2019 S\$'000 (Unaudited)	As at 31 Mar 2019 S\$'000 (Audited)	As at 31 Dec 2019 S\$'000 (Unaudited)	As at 31 Mar 2019 S\$'000 (Audited)
Property, plant and equipment	56,933	38,811	-	-

12. SEGMENT INFORMATION

The chief operating decision maker has been determined as the Chief Executive Officer of the NetLink Group. The Chief Executive Officer reviews the internal management reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As the NetLink Group is principally engaged in the provision of duct and manholes, central offices and space in central offices and fibre related services in Singapore, management considers that the NetLink Group operates in one single business and geographical segment.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

13. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited financial statements, the following transactions took place between the NetLink Group and related parties at terms agreed between the parties during the financial period:

	Q3 FY20	Q3 FY19	9M FY20	9M FY19
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Services rendered to a substantial Unitholder	40,685	42,098	121,674	124,757
Services rendered to subsidiaries of a shareholder of a substantial Unitholder	27,913	24,315	85,200	69,246
Purchase of services from a substantial Unitholder	1,442	1,358	4,258	4,969
Purchase of fixed assets from a substantial Unitholder	-	1,549	2,239	10,600
Management fee paid or payable to Trustee-Manager of the Trust	242	225	748	691
Purchase of services from subsidiaries of a shareholder of a substantial Unitholder	863	1,442	2,877	2,771
Purchases of goods from subsidiaries of a substantial Unitholder	71	540	375	3,544

14. DISTRIBUTIONS

No distribution has been declared or recommended for the quarter ended 31 Dec 2019 and for the same period last year. In accordance with the Distribution Policy as disclosed in the Prospectus, distributions by the Trust will be made on a semi-annual basis.

A distribution in the total amount of S\$98,203,672 or 2.52 Singapore cents per Unit was declared for the Trust's distribution period for the half year ended 30 Sep 2019 and paid on 26 Nov 2019 by NetLink NBN Management Pte. Ltd. (in its capacity as the trustee-manager of the Trust) as a distribution in cash to the Trust's Unitholders. For the same period last year, a distribution in the total amount of S\$95,086,095 or 2.44 Singapore cents per Unit was declared for the Trust's distribution period for the half year ended 30 Sep 2018, which was paid on 27 Nov 2018. The distribution to Unitholders is exempted from Singapore income tax.

15. OTHER INFORMATION

The statements of financial position as at 31 Dec 2019 and the consolidated statement of profit or loss and other comprehensive income, statements of changes in Unitholders' fund and consolidated statement of cash flows for the nine months ended 31 Dec 2019 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on Page 24 of this announcement).

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

16. REVIEW OF PERFORMANCE VARIANCE

	Q3 FY20	Q3 FY19	Variance	9M FY20	9M FY19	Variance
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Fibre business revenue:						
Residential connections	58,713	52,070	12.8	172,532	152,826	12.9
Non-residential connections	7,839	7,551	3.8	23,284	22,349	4.2
NBAP and Segment connections	1,838	1,710	7.5	5,420	5,075	6.8
Installation-related revenue	4,427	6,332	(30.1)	16,796	16,589	1.2
Diversion revenue	1,323	2,290	(42.2)	7,521	12,920	(41.8)
Co-location and Other revenue	5,230	5,089	2.8	15,499	14,964	3.6
Total Fibre Business Revenue	79,370	75,042	5.8	241,052	224,723	7.3
Ducts, manholes and Central Office revenue:						
Ducts and manholes service revenue	7,441	9,433	(21.1)	22,952	28,084	(18.3)
Central Office revenue	4,826	4,537	6.4	13,746	12,910	6.5
Total Ducts, Manholes and Central Office Revenue	12,267	13,970	(12.2)	36,698	40,994	(10.5)
Total Revenue	91,637	89,012	2.9	277,750	265,717	4.5

Q3 FY20 vs Q3 FY19

Revenue of S\$91.6 million for Q3 FY20 rose 2.9% mainly due to higher residential connections revenue. This was partially offset by lower installation-related revenue, diversion revenue and ducts and manholes service revenue.

Residential connections revenue increased by S\$6.6 million mainly due to the higher number of connections. As at 31 Dec 2019, there were 1,421,173 connections as compared to 1,283,801 connections as at 31 Dec 2018. Installation-related revenue was S\$1.9 million lower mainly due to lower residential service activation charges and installation charges from fewer orders requiring installation as the migration of coaxial cable subscribers to fibre by StarHub had ended on 30 Sep 2019. Diversion revenue decreased by S\$1.0 million mainly due to the completion of fewer projects in Q3 FY20 as compared to Q3 FY19. Ducts and manholes service revenue decreased by S\$2.0 million mainly due to the completion of fewer joint-build projects in Q3 FY20.

Despite higher revenue in Q3 FY20, total expenses were marginally higher by S\$0.6 million. Total expenses increased mainly due to higher depreciation and amortisation and other operating expenses, partially offset by lower installation costs and diversion costs. Depreciation and amortisation costs were S\$2.0 million higher mainly due to a higher fixed asset base, accelerated depreciation for existing IT software and the adoption of the SFRS(I) 16. Other operating expenses were S\$0.9 million higher in Q3 FY20 as compared to Q3 FY19 mainly due to higher professional fees and higher IT maintenance costs due to one-time rebate given by the system vendor in Q3 FY19. Installation costs and diversion costs were S\$2.4 million and S\$0.8 million lower respectively, in line with decrease in installation-related revenue and diversion revenue.

Lower income tax credit of S\$0.5 million was mainly due to higher profit before tax of S\$20.5 million at Q3 FY20 as compared to S\$18.1 million at Q3 FY19.

The Group achieved a Profit After Tax of S\$21.5 million for Q3 FY20, which was 9.6% higher than Q3 FY19.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

9M FY20 vs 9M FY19

Revenue of S\$277.8 million for 9M FY20 rose 4.5% mainly due to higher residential connections, non-residential connections and Central Office revenue. This was partially offset by lower ducts and manholes service revenue and diversion revenue.

Residential connections revenue increased by S\$19.7 million mainly due to the higher number of connections. As at 31 Dec 2019, there were 1,421,173 connections as compared to 1,283,801 connections as at 31 Dec 2018. Non-residential connections revenue increased by S\$0.9 million mainly due to the higher number of connections. As at 31 Dec 2019, there were 47,408 connections as compared to 45,734 connections as at 31 Dec 2018. Central Office revenue increased by S\$0.8 million due to increase in service charges recovered from tenant. Lower diversion revenue of S\$5.4 million was mainly due to the completion of fewer projects in 9M FY20 as compared to 9M FY19. Ducts and manholes service revenue decreased by S\$5.1 million mainly due to the completion of fewer joint-build projects in 9M FY20 coupled with decrease in service revenue from reduced cable length chargeable to a customer.

Total expenses for 9M FY20 were S\$2.1 million higher mainly due to higher depreciation and amortisation costs, staff costs and finance costs, partially offset by lower installation costs, diversion costs and other operating expenses. Depreciation and amortisation costs were S\$6.0 million higher mainly due to a higher fixed asset base, accelerated depreciation for existing IT software and the adoption of the SFRS(I) 16. Staff costs for 9M FY20 were S\$2.8 million higher mainly due to lower capitalisation of staff costs as there were fewer spare capacity fibre top up projects completed in 9M FY20 as compared to 9M FY19 and annual salary increment. Finance costs were higher by S\$1.0 million due to longer interest period for 9M FY20 as compared to 4 months in prior period for the S\$45.0 million loan taken up in Aug 2018 and additional interest expenses on lease liabilities arising from the adoption of SFRS(I) 16. Diversion costs were S\$4.1 million lower, in line with lower diversion revenue. Installation costs were S\$2.1 million lower as part of the installation costs was reclassified to operations and maintenance costs. Other operating expenses were S\$2.2 million lower in 9M FY20 as compared to 9M FY19 due to lower IT maintenance costs notwithstanding a one-time rebate received in Q3 FY19 and the write off of fixed assets in the prior period.

Lower income tax credit of S\$2.3 million mainly from higher profit before tax of S\$62.7 million at 9M FY20 as compared to S\$52.0 million at 9M FY19.

The Group achieved a Profit After Tax of S\$65.6 million for 9M FY20, which was 14.5% higher than 9M FY19.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

REVIEW OF PERFORMANCE - STATEMENTS OF CASH FLOWS

The Group's net cash from operating activities of S\$56.8 million in Q3 FY20 was S\$4.8 million lower than Q3 FY19 due to changes in working capital. However, net cash from operating activities of S\$191.1 million in 9M FY20 was higher than S\$168.8 million in 9M FY19.

Net cash used in investing activities of S\$16.9 million in Q3 FY20 was S\$0.8 million lower than Q3 FY19 mainly due to lower spending in property, plant and equipment. Net cash used in investing activities of S\$60.7 million in 9M FY20 was S\$3.7 million higher than 9M FY19 mainly due to higher spending in property, plant and equipment.

There was no loan drawn down in Q3 FY20 and 9M FY20. In 9M FY20, two distributions were paid for the half year ended 30 Sep 2019 and 2nd half year ended 31 Mar 2019. This was S\$28.1 million lower than the distributions paid during 9M FY19 for half year ended 30 Sep 2018 and the financial period from 19 Jul 2017 to 31 Mar 2018, which covered a longer period.

The resultant cash and cash equivalents balance for the Group as at 31 Dec 2019 was S\$83.4 million.

REVIEW OF PERFORMANCE - STATEMENTS OF FINANCIAL POSITION

The Group reported total assets as at 31 Dec 2019 of S\$4,170.6 million, S\$111.2 million lower than total assets of S\$4,281.8 million as at 31 Mar 2019 mainly due to the decrease in cash and property, plant and equipment, partially offset by the recognition of right-of-use assets of S\$12.9 million (arising from the adoption of SFRS(I) 16 from 1 Apr 2019).

The Group reported total liabilities as at 31 Dec 2019 of S\$1,273.2 million, S\$21.2 million higher than total liabilities of S\$1,251.9 million as at 31 Mar 2019 mainly due to the recognition of lease liabilities of S\$15.3 million arising from the adoption of SFRS(I) 16 from 1 Apr 2019, increase in deferred revenue, current tax liabilities, and partially offset by lower deferred tax liabilities. S\$126.0 million of the S\$636.0 million bank loans were reclassified to current liabilities as the revolving credit facilities ("RCFs") of S\$126.0 million is maturing on 15 Jun 2020 (please see note 8 on page 16 for more details). Management has plans to refinance these RCFs.

Total Unitholders' funds stood at S\$2,897.5 million as at 31 Dec 2019, lower than S\$3,029.9 million as at 31 Mar 2019 mainly due to the distribution paid, partially offset by profit recognised for the nine months ended 31 Dec 2019.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

17. OUTLOOK AND PROSPECT

For FY20, the NetLink Group expects revenues from key connection services to be higher than that of FY19 mainly due to higher residential connections. The Group will continue to invest and expand its network to improve the network's capability and resiliency. The Group expects capital expenditure in FY20 to be higher than that of FY19.

The Group is continuing to expand its network in new housing estates. The Group has also been working proactively with the RLs (who provide fibre services to Retail Service Providers that in turn provide retail fibre services to end-users) to meet future demand for Non-Residential and NBAP connections, and to support the RLs' efforts to acquire new Non-Residential and NBAP customers. With its extensive nationwide fibre network, the NetLink Group is well-positioned to support, among others, the Smart Nation initiatives, the Punggol Digital District and Jurong Innovation District. In addition, the Group is monitoring the development of the 5G network in Singapore and will explore opportunities associated with the new market development.

In this connection, the NetLink Group is supporting IMDA's objectives to achieve pervasive deployment of 5G infrastructure and grow the 5G innovation ecosystem. The NetLink Group looks forward to working with industry partners in offering the use of its nationwide fibre network to accelerate the realisation of IMDA's objectives. For example, the NetLink Group is supporting M1 for its 5G trial at a new restaurant in Marina Square and TPG Telecom for its upcoming 5G network trial at Singapore Science Park I and II.

The NetLink Group's resilient business model is expected to provide recurring and predictable cashflows to support distributions to Unitholders.

18. INTERESTED PERSON TRANSACTION ("IPT")

The Group has not obtained a general mandate from Unitholders of the Trust for IPTs. During the financial period, the following IPTs were entered into by the Group:

Name of Interested Person	<i>Aggregate value of all IPTs during the financial period under review (excluding transactions of less than S\$100,000)</i>	
	Q3 FY20 S\$'000 (Unaudited)	9M FY20 S\$'000 (Unaudited)
NetLink NBN Management Pte. Ltd.		
- Management fees	225	675
- Reimbursement of expenses	17	73
	<u>242</u>	<u>748</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

19. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Trustee-Manager has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

CONFIRMATION BY BOARD

On behalf of the Board of Directors of the Trustee-Manager, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Trustee-Manager which may render the financial statements for the quarter to be false or misleading, in any material aspect.

On behalf of the Board of Directors of the Trustee-Manager

Chaly Mah Chee Kheong
Chairman and Independent Director

Tong Yew Heng
Chief Executive Officer and Executive Director

Singapore

10 February 2020

NetLinkNBN

the fibre of a smart nation

NETLINK NBN TRUST AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors

NetLink NBN Management Pte. Ltd. (as Trustee-Manager of NetLink NBN Trust)

750E Chai Chee Road

#07-03, Viva Business Park

Singapore 469005

Dear Sirs

NETLINK NBN TRUST AND ITS SUBSIDIARIES

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

Introduction

We have reviewed the accompanying financial information of NetLink NBN Trust (the "Trust") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in Unitholders' funds of the Trust for the third quarter ended and nine months ended 31 December 2019, selected notes and other explanatory information ("interim financial information").

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standards (International) 1- 34 *Interim Financial Reporting* ("SFRS(I)1- 34"). Such interim financial information has been prepared by the Trust for announcement on the Singapore Exchange. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standards on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*" A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, in accordance with SFRS(I) 1-34.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

10 February 2020