

**NETLINK NBN TRUST  
AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS ANNOUNCEMENT**

**FOR THE HALF YEAR**

**ENDED 30 SEPTEMBER 2021**

**Contents**

	<b><u>Page</u></b>
INTRODUCTION .....	2
SUMMARY OF THE NETLINK GROUP RESULTS .....	3
DISTRIBUTION STATEMENT .....	4
DISTRIBUTION POLICY .....	5
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	6
INTERIM STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST) .....	7
INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP AND TRUST) .....	8
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
SELECTED NOTES TO THE FINANCIAL STATEMENTS.....	11
OUTLOOK AND PROSPECT .....	26
INTERESTED PERSON TRANSACTION ("IPT") .....	27
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) .....	27
CONFIRMATION BY BOARD .....	28
INDEPENDENT AUDITOR'S REVIEW REPORT .....	29

# NetLinkNBN

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

### **INTRODUCTION**

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed under the laws of Republic of Singapore. The Trust was listed on 19 Jul 2017 on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). NetLink Trust, an unregistered business trust, is wholly owned by the Trust. 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.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**SUMMARY OF THE NETLINK GROUP RESULTS**

	Half Year Ended 30 Sep		Variance %
	2021 ("H1 FY22") \$'000 (Unaudited)	2020 ("H1 FY21") \$'000 (Unaudited)	
<b>Revenue <sup>(1)</sup></b>	187,930	181,465	3.6
<b>EBITDA <sup>(2)(3)</sup></b>	126,591	139,734	(9.4)
<b>EBITDA margin <sup>(2)(3)</sup></b>	67.4%	77.0%	(9.6 pp)
<b>Profit after tax ("PAT")<sup>(2)</sup></b>	40,082	44,793	(10.5)

**Note:**

(1) Revenue for H1 FY22 was higher than H1 FY21 by 3.6% mainly due to higher residential, NBAP & segment connections revenue, installation-related revenue and diversion revenue, partially offset by lower ducts and manholes service revenue and Central Office revenue.

(2) EBITDA and PAT for H1 FY22 were lower than H1 FY21 by 9.4% and 10.5% respectively. The decrease in H1 FY22 EBITDA by \$13.1 million was mainly due to a remeasurement loss of \$12.4 million relating to finance lease receivables arising from the reduction in rental rates upon the renewal of the Central Office lease agreements with the lessee from Sep 2021. In addition, there were lower government grants recorded in this period as compared to the amount received in prior corresponding period.

The reduction in rental rates is not expected to have a material cashflow impact for FY22 nor subsequent years. The accounting standards require the reduction in rental rate for FY22 and subsequent years (i.e. remaining lease term of the leasehold ranging from 47 to 67 years) to be recognised upfront as the remeasurement loss described above.

Further details of the NetLink Group's financial performance are provided in Note 19.

(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 HALF YEAR ENDED 30 SEPTEMBER 2021**

**DISTRIBUTION STATEMENT**

<b>Cash Available For Distribution ("CAFD")</b>	<b>H1 FY22</b> \$'000 (Unaudited)	<b>H1 FY21</b> \$'000 (Unaudited)
Profit before income tax	36,672	46,930
Add: Depreciation and amortisation	84,768	83,460
Add: Other non-cash item	14,939	1,181
Add/(less): Cash taxes	6,429	(3,164)
(Less)/add: Changes in working capital	(4,426)	12,483
Less: Purchase of property, plant and equipment	(32,792)	(27,309)
Less: Repayment of lease liabilities	(1,992)	(1,321)
Less: Payment of loan arrangement fee	(2,570)	(900)
Transfer into: Cash held in reserves and provisions for capital expenditures and working capital including carve-out for Capex Reserve <sup>(1)</sup> (see Distribution Policy)	(1,266)	(12,767)
<b>CAFD</b>	<u>99,762</u>	<u>98,593</u>
<b>Distributions Attributable for the Half Year<sup>(2)</sup></b>	<u>99,762</u>	<u>98,593</u>

**Note:**

(1) Capex Reserve comprises monies set aside each year for at least 20% of capital expenditure reserve fund, which cumulates to \$40.0 million over the five-year period from 1 Jan 2018 to 31 Dec 2022, to meet regulatory requirements from Infocomm Media Development Authority ("IMDA") for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NLT's network infrastructure. As at 30 Sep 2021, NLT had already incurred \$32.5 million of the Capex Reserve to improve network resiliency and expand capacity, which is \$2.5 million more than the prevailing Capex Reserve required of \$30.0 million. Hence, no further fund is set aside as at 30 Sep 2021.

(2) Total distributions paid/payable

	<b>H1 FY22</b> \$'000 (Unaudited)	<b>H1 FY21</b> \$'000 (Unaudited)	<b>Payment Date</b>
1 Apr 2020 – 30 Sep 2020	-	98,593	4 Dec 2020
1 Apr 2021 – 30 Sep 2021	<u>99,762</u>	<u>-</u>	1 Dec 2021
	<u>99,762</u>	<u>98,593</u>	

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

### **DISTRIBUTION POLICY**

NetLink Group's full distribution policy can be found in the prospectus of the Trust dated 10 Jul 2017.

NetLink Group's distribution policy is to distribute 100% of its cash available for distribution ("CAFD"), which includes distributions received from its wholly-owned subsidiary NetLink Trust ("NLT"). NLT's distribution policy is to distribute at least 90% of its distributable income to the Trust after setting aside reserves and provisions for, amongst others, future capital expenditure (including the funding of a capital expenditure reserve fund pursuant to regulatory requirements), debt repayment and working capital as may be required.

Distributions by NetLink Group will be made on a semi-annual basis, with the amount calculated as at 31 Mar and 30 Sep each year for the 6-month period ending on each of the said dates.

A distribution in the total amount of \$99,762,460 or 2.56 Singapore cents per Unit is declared for NetLink Group's distribution period for the half year ended 30 Sep 2021 and will be payable on 1 Dec 2021 by NetLink NBN Management Pte. Ltd. (in its capacity as the trustee-manager of the Trust) as a distribution in cash to NetLink Group's unitholders.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Group	Note	H1 FY22 \$'000 (Unaudited)	H1 FY21 \$'000 (Unaudited)	Variance (%)
<b>Revenue</b>		187,930	181,465	3.6
Other income	6.1	1,275	6,175	(79.4)
<b>Expenses</b>				
Operation and maintenance costs		(8,798)	(8,085)	8.8
Installation costs		(5,113)	(3,925)	30.3
Diversion costs		(2,857)	(3,185)	(10.3)
Depreciation and amortisation	6.2	(84,768)	(83,460)	1.6
Staff costs		(14,482)	(14,361)	0.8
Finance costs	6.3	(5,319)	(9,647)	(44.9)
Management fee		(498)	(501)	(0.6)
Other operating expenses	6.4	(30,698)	(17,546)	75.0
Total expenses		(152,533)	(140,710)	8.4
<b>Profit before income tax</b>		<b>36,672</b>	<b>46,930</b>	<b>(21.9)</b>
Income tax credit/(expense)	7	3,410	(2,137)	N.M.
<b>Profit after income tax</b>		<b>40,082</b>	<b>44,793</b>	<b>(10.5)</b>
<b>Profit attributable to:</b>				
Unitholders of the Trust		40,082	44,793	(10.5)
<b>Other comprehensive income</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Cash flow hedges		3,548	2,416	46.9
<b>Total comprehensive income attributable to:</b>				
Unitholders of the Trust		43,630	47,209	(7.6)
<b>Earnings per unit:</b>				
- basic and diluted		1.03 cents	1.15 cents	
Weighted average number of units ('000) in issue for calculation of basic and diluted earnings per unit				
		3,896,971	3,896,971	

N.M.: not meaningful

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**INTERIM STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)**

	Note	Group		Trust	
		As at 30 Sep 2021 \$'000 (Unaudited)	As at 31 Mar 2021 \$'000 (Audited)	As at 30 Sep 2021 \$'000 (Unaudited)	As at 31 Mar 2021 \$'000 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank deposits		172,191	170,536	57,919	58,434
Trade and other receivables		55,462	44,554	90	93
Contract assets		25,498	25,894	-	-
Finance lease receivables	8	240	233	-	-
Inventories		4,486	5,161	-	-
Other current assets		2,921	5,157	157	210
		260,798	251,535	58,166	58,737
<b>Non-current assets</b>					
Finance lease receivables	8	66,860	80,507	-	-
Property, plant and equipment	9	2,877,486	2,927,436	-	-
Derivative financial instruments	10	3,548	-	-	-
Right-of-use assets		37,178	36,815	-	-
Rental deposits		160	220	-	-
Goodwill	11	746,854	746,854	-	-
Licence		77,969	80,088	-	-
Investment in subsidiaries		-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary		-	-	1,100,000	1,100,000
		3,810,055	3,871,920	3,113,673	3,113,673
<b>Total assets</b>		<b>4,070,853</b>	<b>4,123,455</b>	<b>3,171,839</b>	<b>3,172,410</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		56,632	58,687	483	226
Deferred revenue		24,405	21,405	-	-
Loans	12	-	509,120	-	-
Lease liabilities		2,504	2,279	-	-
Current tax liabilities		40,152	23,285	5	9
		123,693	614,776	488	235
<b>Non-current liabilities</b>					
Deferred revenue		6,109	6,301	-	-
Loans	12	663,328	155,587	-	-
Lease liabilities		37,071	36,548	-	-
Deferred tax liabilities		492,692	506,540	-	-
		1,199,200	704,976	-	-
<b>Total liabilities</b>		<b>1,322,893</b>	<b>1,319,752</b>	<b>488</b>	<b>235</b>
<b>Net Assets</b>		<b>2,747,960</b>	<b>2,803,703</b>	<b>3,171,351</b>	<b>3,172,175</b>
<b>UNITHOLDERS' FUNDS</b>					
Units in issue	13	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficits)/Retained earnings		(372,766)	(313,475)	54,173	54,997
Hedging reserves		3,548	-	-	-
<b>Total Unitholders' funds</b>		<b>2,747,960</b>	<b>2,803,703</b>	<b>3,171,351</b>	<b>3,172,175</b>

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

	Group	
	H1 FY22 \$'000 (Unaudited)	H1 FY21 \$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178
Accumulated deficits at the beginning of period	(313,475)	(211,101)
Profit for the period	40,082	44,793
Distribution paid	(99,373)	(98,593)
Accumulated deficits at the end of period	(372,766)	(264,901)
Hedging reserves at the beginning of period	-	861
Other comprehensive income for the period	3,548	2,416
Hedging reserves at the end of period	3,548	3,277
Total	2,747,960	2,855,554

### INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

	Trust	
	H1 FY22 \$'000 (Unaudited)	H1 FY21 \$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178
Retained earnings at the beginning of period	54,997	54,868
Profit for the period	98,549	100,001
Distribution paid	(99,373)	(98,593)
Retained earnings at the end of period	54,173	56,276
Total	3,171,351	3,173,454



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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	H1 FY22 \$'000 (Unaudited)	H1 FY21 \$'000 (Unaudited)
<b>Operating activities</b>		
Profit before income tax	36,672	46,930
Adjustments for:		
- Depreciation and amortisation	84,768	83,460
- Amortisation of transaction fees	1,171	407
- Provision/(write-back of provision) for loss allowance for trade receivables	108	(234)
- (Write-back of)/provision for stock obsolescence	(38)	40
- Interest expense	4,148	9,240
- Interest income	(168)	(303)
- Property, plant and equipment written off	585	595
- Remeasurement loss from finance lease receivables	12,429	-
<b>Operating cash flows before working capital changes</b>	<b>139,675</b>	<b>140,135</b>
Changes in working capital:		
- Trade and other receivables	(8,625)	6,701
- Contract assets	396	1,138
- Trade and other payables	3,090	4,781
- Inventories	713	(137)
<b>Cash generated from operations</b>	<b>135,249</b>	<b>152,618</b>
Interest received	169	303
Interest paid	(3,465)	(8,867)
Income tax refund/(paid)	6,429	(3,164)
<b>Net cash generated from operating activities</b>	<b>138,382</b>	<b>140,890</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(32,792)	(27,309)
<b>Net cash used in investing activities</b>	<b>(32,792)</b>	<b>(27,309)</b>
<b>Financing activities</b>		
Payment of loan arrangement fee	(2,570)	(900)
Repayment of lease liabilities	(1,992)	(1,321)
Distribution paid	(99,373)	(98,593)
<b>Net cash used in financing activities</b>	<b>(103,935)</b>	<b>(100,814)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,655</b>	<b>12,767</b>
Cash and cash equivalents at beginning of financial period	170,536	168,624
<b>Cash and cash equivalents at end of financial period</b>	<b>172,191</b>	<b>181,391</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and bank balances	172,191	176,990
Capital expenditure reserve fund <sup>(a)</sup>	-	4,401
<b>Cash and cash equivalents at end of financial period</b>	<b>172,191</b>	<b>181,391</b>

(a) Capex Reserve comprises monies set aside each year for at least 20% of capital expenditure reserve fund, which cumulates to \$40.0 million over the five-year period from 1 Jan 2018 to 31 Dec 2022, to meet regulatory requirements from Infocomm Media Development Authority ("IMDA") for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink Group's network infrastructure. As at 30 Sep 2021, NLT had already incurred \$32.5 million of the Capex Reserve to improve network resiliency and expand capacity, which is \$2.5 million more than the prevailing Capex Reserve required of \$30.0 million. Hence, no further fund is set aside as at 30 Sep 2021.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	H1 FY22	H1 FY21
Group	\$'000 (Unaudited)	\$'000 (Unaudited)
<b>NOTE A</b>		
Purchase of property, plant and equipment	30,425	24,259
Less: Accruals for property, plant and equipment at end of financial period	(21,368)	(17,124)
Add: Payment of accruals for property, plant and equipment at beginning of financial period	23,735	20,174
	<u>32,792</u>	<u>27,309</u>

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

### **SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **1. CORPORATE INFORMATION**

NetLink NBN Trust (the “Trust”) was constituted by a trust deed dated 19 Jun 2017 (as amended and restated by the First Amending and Restating Deed dated 25 Jul 2018, the Second Amending and Restating Deed dated 28 Sep 2020 and the Third Amending and Restating Deed dated 19 Jul 2021) (collectively, the “Trust Deed”). It was registered as a business trust with the Monetary Authority of Singapore on 29 Jun 2017. The Trust is regulated by the Business Trusts Act, Chapter 31A of Singapore and is domiciled in Singapore. The Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 19 Jul 2017.

Under the Trust Deed, NetLink NBN Management Pte. Ltd. (the “Trustee-Manager”) has declared that it shall hold the authorised business on trust for the Unitholders as the Trustee-Manager of the Trust. The registered address of the Trustee-Manager is at 750E Chai Chee Road, #07-03, ESR BizPark @ Chai Chee, Singapore 469005.

The principal activities of the Trust are that of investment holding.

#### **2. BASIS OF PREPARATION**

The Group prepares its consolidated interim financial statements for the half year ended 30 Sep 2021 in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 Mar 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. For the remeasurement of finance lease receivables to reflect the change in future lease payments, the Group as the lessor has decided to use the initial discount rate adopted at the inception of the lease agreements.

The consolidated interim financial statements are presented in Singapore dollar which is the Group’s functional currency. All financial information presented in Singapore dollar have been rounded to the nearest thousand, unless otherwise stated.

##### **2.1. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.2. USE OF JUDGEMENTS AND ESTIMATES

In preparing the consolidated interim financial statements, the Trustee-Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Trustee-Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 Mar 2021.

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 and key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

##### **(a) Impairment reviews on goodwill and investment in subsidiaries**

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. In making this judgement, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

##### **(b) Estimated useful life of property, plant and equipment**

The Group reviews annually the estimated useful life of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful life of property, plant and equipment would decrease the net profit and decrease the carrying value of property, plant and equipment.

### 3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### 4. 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 ducts 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.

### 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 Sep 2021 and 31 Mar 2021.

	Group		Trust	
	As at 30 Sep 2021 \$'000 (Unaudited)	As at 31 Mar 2021 \$'000 (Audited)	As at 30 Sep 2021 \$'000 (Unaudited)	As at 31 Mar 2021 \$'000 (Audited)
<b>Financial Assets</b>				
Financial assets at amortised cost	320,594	322,080	1,158,009	1,158,527
Derivative instruments:				
Designated in hedge accounting relationships	3,548	-	-	-
	<u>324,142</u>	<u>322,080</u>	<u>1,158,009</u>	<u>1,158,527</u>
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost	719,960	723,394	483	226
Lease liabilities	39,575	38,827	-	-
	<u>759,535</u>	<u>762,221</u>	<u>483</u>	<u>226</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**6. PROFIT BEFORE TAXATION**

**6.1. OTHER INCOME**

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Interest income	168	303
Government grants <sup>(1)</sup>	453	2,903
Property tax rebates <sup>(2)</sup>	-	2,487
Rent Concessions <sup>(3)</sup>	-	19
Third party compensation <sup>(4)</sup>	88	195
Others <sup>(5)</sup>	566	268
	<u>1,275</u>	<u>6,175</u>

(1) Government grants consists mainly Jobs Support Scheme and Wage Credit Scheme.

(2) Property tax rebates granted by Singapore government in response to the COVID-19 pandemic. This was passed on to the tenants and recognised as grant expenses (see Note 6.4).

(3) Rent concessions pertains to rental rebates provided by landlords. This relates to the changes in lease payments arising from rent concessions to which the Group has applied practical expedient under COVID-19 – Related Rent Concessions – Amendment to SFRS(I) 16.

(4) Third party compensation consists mainly of compensation received from third parties for cable cuts and for construction works performed on behalf of Land Transport Authority (“LTA”).

(5) Others consists mainly of income from Fibre Readiness Certification, Notice for Commencement of Earthworks and Plant Route Plans.

**6.2. TOTAL DEPRECIATION AND AMORTISATION**

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	80,905	79,850
Depreciation of right-of-use assets	1,744	1,491
Amortisation of licence	2,119	2,119
	<u>84,768</u>	<u>83,460</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**6. PROFIT BEFORE TAXATION (CONT'D)**

**6.3. FINANCE COSTS**

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Interest expense on:		
- Bank loans	3,336	4,832
- Lease liabilities	633	631
- Others	59	63
Financing related costs	1,286	670
Realised loss on interest rate swaps	5	3,451
	<u>5,319</u>	<u>9,647</u>

For cash flow purposes, finance costs do not include amortisation of transaction fees. Reconciliation to cash flow statement is as below:

Finance costs	5,319	9,647
Amortisation of transaction fees	<u>(1,171)</u>	<u>(407)</u>
Interest expense	<u>4,148</u>	<u>9,240</u>

**6.4. OTHER OPERATING EXPENSES**

Other operating expenses include the following items:

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Remeasurement loss from finance lease receivables	12,429	-
Property tax	8,619	8,482
System maintenance costs	3,982	3,505
Property, plant and equipment written off	585	595
Provision/(write-back of provision) for loss allowance for trade receivables	108	(234)
Foreign exchange loss, net	4	-
(Write-back of)/provision for inventory obsolescence	(38)	40
Grant expenses	<u>-</u>	<u>660</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**6. PROFIT BEFORE TAXATION (CONT'D)**

**6.5. 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:

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Services rendered to a substantial Unitholder	81,610	81,264
Services rendered to subsidiaries of a substantial shareholder of the substantial Unitholder	53,052	55,524
Purchase of services from a substantial Unitholder	2,650	2,619
Purchase of fixed assets from a substantial Unitholder	156	4
Management fee paid or payable to Trustee-Manager of the Trust	498	501
Purchase of services from subsidiaries of a substantial shareholder of the substantial Unitholder	1,835	1,996
Purchases of goods from subsidiaries of the substantial Unitholder	75	245



**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**7. INCOME TAX CREDIT/(EXPENSE)**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
<u>Income tax is made up of:</u>		
- Current income tax expense	(10,702)	(10,656)
- Over/(under) provision of current income tax in prior year	264	(3,687)
	<u>(10,438)</u>	<u>(14,343)</u>
- Deferred income tax due to origination and reversal of temporary differences	13,793	12,224
- Over/(under) provision of deferred income tax in prior year	55	(18)
	<u>3,410</u>	<u>(2,137)</u>
Income tax credit/(expense) recognised in profit or loss	<u>3,410</u>	<u>(2,137)</u>

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:

	<b>H1 FY22</b>	<b>H1 FY21</b>
	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)
Profit before income tax	<u>36,672</u>	<u>46,930</u>
Income tax expense calculated at a tax rate of 17%	(6,234)	(7,978)
Effect of:		
- Income not subject to taxation	62	-
- Expenses not deductible for tax purposes	(521)	(239)
- Tax relief and tax rebate	37	26
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities <sup>^</sup>	9,844	9,844
- Over/(under) provision in prior year <sup>^^</sup>	319	(3,705)
- Others	(97)	(85)
	<u>3,410</u>	<u>(2,137)</u>
Tax credit/(expense) attributable to current period's profit	<u>3,410</u>	<u>(2,137)</u>

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

<sup>^^</sup> – For Year of Assessment 2016, NLT claimed capital allowances and applied for group tax relief for the capital allowances. Based on the final assessment from Inland Revenue Authority of Singapore (“IRAS”), there was an additional assessment resulting in an income tax expense of approximately \$3.7 million incurred in H1 FY21.

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

### **8. FINANCE LEASE RECEIVABLES**

The Group's finance lease arrangements do not include variable payments.

The finance lease receivables relate to the lease agreements on the land and building between a subsidiary and the substantial Unitholder in relation to the space occupied by the substantial Unitholder in the Central Office buildings owned by the subsidiary.

There is a remeasurement loss of \$12.4 million relating to finance lease receivables arising from the reduction in rental rates upon the renewal of the Central Office lease agreements with the lessee from Sep 2021.

The reduction in rental rates is not expected to have a material cashflow impact for FY22 nor subsequent years. The accounting standards require the reduction in rental rate for FY22 and subsequent years (i.e. remaining lease term of the leasehold ranging from 47 to 67 years) to be recognised upfront as the remeasurement loss described above.

During the first half year ended 30 Sep 2021, the substantial Unitholder has surrendered a portion of space in the Central Office buildings, this resulted an amount of \$1.1 million (H1 FY21: Nil) being reclassified from finance lease receivables to leasehold land and buildings under property, plant and equipment.

The interest rate inherent in the leases is fixed at the contract date for the duration of the lease terms. The average effective interest rate contracted is approximately 6.2% (31 Mar 2021: 6.2%).

### **9. PROPERTY, PLANT AND EQUIPMENT**

During the half year ended 30 Sep 2021, the Group acquired assets amounting to \$30.4 million (30 Sep 2020: \$24.3 million) and disposed of assets amounting to \$2.5 million (30 Sep 2020: \$11.2 million).

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### 10. 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:

<b>Group</b>				
<b>30 Sep 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
(Unaudited)	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Derivative financial instruments	-	3,548	-	3,548

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has \$666.0 million (31 Mar 2021: \$666.0 million) bank loan outstanding and has entered into a series of SORA-based interest rate swaps to convert the variable interest rates on its bank loan into fixed interest rates during half year ended 30 Sep 2021, for a total notional principal amount of \$333 million (31 Mar 2021: Nil). Accordingly, 50% (31 Mar 2021: Nil) of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

### 11. GOODWILL

The Trustee-Manager has reviewed for indicators of impairment since the end of the financial year ended 31 Mar 2021 and determined that no such indicators were noted as at 30 Sep 2021. The goodwill will be tested for impairment as at 31 Mar 2022.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**12. GROUP'S BORROWINGS AND DEBT SECURITY**

		Group			
		Effective Average Interest rate <sup>(1)</sup> (%)	As at 30 Sep 2021 \$'000 (Unaudited)	Effective Average Interest rate <sup>(1)</sup> (%)	As at 31 Mar 2021 \$'000 (Audited)
<b>Unsecured borrowings</b>					
Repayable within one year					
-	Bank loans (unsecured)	-	-	2.87	509,120
Repayable after one year					
-	Bank loans (unsecured)	1.06	663,328	1.20	155,587
			<u>663,328</u>		<u>664,707</u>
<b>Committed revolving credit facility ("RCF") and term loan</b>					
Commencement Date	Terms			Utilised As at 30 Sep 2021 \$'000 (Unaudited)	Utilised As at 31 Mar 2021 \$'000 (Audited)
- 24 Mar 2016 <sup>(2)</sup>	\$510 million Five-Year Term Loan			-	510,000
- 24 Mar 2016 <sup>(2)</sup>	\$90 million Five-Year RCF			-	-
- 19 Mar 2020	\$210 million Three-Year RCF			156,000	156,000
- 21 May 2021 <sup>(3)</sup>	\$510 million Five-Year Term Loan			510,000	-
				<u>666,000</u>	<u>666,000</u>
	Transaction costs			(2,672)	(1,293)
				<u>663,328</u>	<u>664,707</u>

(1) The interest expenses used in the computation of effective average interest rate included realised loss on interest rate swaps.

(2) The \$510.0 million Five-Year Term Loan and \$90.0 million Five-Year RCF which commenced on 24 Mar 2016 were extended on 21 Jul 2020 to mature on 24 Mar 2022. The Trustee-Manager cancelled both the \$90.0 million Five-Year RCF and the \$510.0 million Five-Year Term Loan on 19 May 2021 and 31 May 2021 respectively.

(3) The \$510.0 million Five-Year Term Loan which commenced on 21 May 2021 is a Singapore Overnight Rate Average ("SORA")-based Term Loan with maturity date on 21 May 2026.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**13. UNITS IN ISSUE**

<b>Group and Trust</b>	<b>As at 30 Sep 2021 Number of units (Unaudited)</b>	<b>As at 31 Mar 2021 Number of units (Audited)</b>	<b>As at 30 Sep 2021 Units in issue (Unaudited)</b>	<b>As at 31 Mar 2021 Units in issue (Audited)</b>
Balance as at beginning of year and at end of period	3,896,971,100	3,896,971,100	3,117,178	3,117,178

All issued units are fully paid and rank *pari passu* in all respects.

**14. NET ASSET VALUE**

	<b>Group</b>		<b>Trust</b>	
	<b>As at 30 Sep 2021 Units (Unaudited)</b>	<b>As at 31 Mar 2021 Units (Audited)</b>	<b>As at 30 Sep 2021 Units (Unaudited)</b>	<b>As at 31 Mar 2021 Units (Audited)</b>
NAV per unit based on issued units at the end of period (cents)	70.5	71.9	81.4	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

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### 15. DISTRIBUTIONS

(a) Current Financial Period Reported on

Amount	:	\$99,762,460
Distribution Period	:	1 Apr 2021 to 30 Sep 2021
Distribution Rate	:	2.56 Singapore cents per unit
Tax Rate	:	Cash distributions to Unitholders are exempt from Singapore income tax.

(b) Date Payable : 1 Dec 2021

(c) Corresponding Period of the Immediately Preceding Financial Year

Amount	:	\$98,593,369
Distribution Period	:	1 Apr 2020 to 30 Sep 2020
Distribution Rate	:	2.53 Singapore cents per unit
Tax Rate	:	Cash distributions to Unitholders are exempt from Singapore income tax.

Notice is hereby given that the Unit Transfer Books and Register of Unitholders of the Trust will be closed at 5.00 p.m. on 17 Nov 2021 for the purposes of determining each Unitholder's entitlement to the distribution. Duly completed registrable transfers in respect of Units in the capital of the Trust received by the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 17 Nov 2021 will be registered to determine Unitholders' entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 17 Nov 2021 will be entitled to the distribution to be paid on 1 Dec 2021.

### 16. SUBSEQUENT EVENTS

Subsequent to the end of reporting period, the Trustee-Manager approved a distribution of \$99,762,460 or 2.56 Singapore cents per unit in respect of financial period from 1 Apr 2021 to 30 Sep 2021 and it has not been adjusted for the current financial year in accordance with SFRS(I) 1-10 *Events After the Reporting Period*.

### 17. COMMITMENTS

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

	Group		Trust	
	As at 30 Sep 2021	As at 31 Mar 2021	As at 30 Sep 2021	As at 31 Mar 2021
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Property, plant and equipment	49,931	48,761	-	-

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**18. OTHER INFORMATION**

The interim statements of financial position as at 30 Sep 2021 and the interim consolidated statement of profit or loss and other comprehensive income, interim statements of changes in Unitholders' fund and interim consolidated statement of cash flows for the half year ended 30 Sep 2021 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 29 of this announcement).

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### 19. REVIEW OF PERFORMANCE VARIANCE

	H1 FY22	H1 FY21	Variance
	\$'000	\$'000	(%)
	(Unaudited)	(Unaudited)	
Fibre business revenue:			
Residential connections	120,003	118,474	1.3
Non-residential connections	15,266	15,254	0.1
NBAP and Segment connections	5,970	3,952	51.1
Installation-related revenue	9,603	6,892	39.3
Diversion revenue	4,441	3,259	36.3
Co-location and Other revenue	9,694	9,551	1.5
<b>Total Fibre Business Revenue</b>	<b>164,977</b>	<b>157,382</b>	<b>4.8</b>
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	14,087	14,585	(3.4)
Central Office revenue	8,866	9,498	(6.7)
<b>Total Ducts, Manholes and Central Office Revenue</b>	<b>22,953</b>	<b>24,083</b>	<b>(4.7)</b>
<b>Total Revenue</b>	<b>187,930</b>	<b>181,465</b>	<b>3.6</b>

#### H1 FY22 vs H1 FY21

Revenue of \$187.9 million for H1 FY22 was 3.6% higher as compared to that of H1 FY21 mainly due to higher residential, NBAP and segment connections revenue, installation-related revenue and diversion revenue. This was partially offset by lower Central Office revenue and ducts and manholes service revenue. Residential connections revenue increased by \$1.5 million as a result of a higher number of connections. As at 30 Sep 2021, there were 1,450,730 connections as compared to 1,437,360 connections as at 30 Sep 2020. NBAP and segment connections revenue increased by \$2.0 million as a result of higher demand for point-to point connections and Central Office-diversity connections to support mobile network rollout and other projects requiring high resiliency. Higher installation-related revenue of \$2.7 million was mainly due to higher residential service activations and non-residential termination point installation orders. Higher diversion revenue of \$1.2 million was due to more projects completed mainly for government agencies as compared to H1 FY21 where fewer number of projects were completed due to stoppages in construction work nationwide. Central Office revenue decreased by \$0.6 million mainly due to spaces surrendered by the main lessee in NetLink's 7 Central Offices. Ducts and manholes service revenue decreased by \$0.5 million mainly due to a reduction in service revenue from the leasing of NetLink Group's ducts.

Total expenses for H1 FY22 were \$11.8 million higher mainly due to higher other operating expenses, depreciation and amortisation, installation costs and operation and maintenance costs, partially offset by lower finance costs. Other operating expenses were \$13.2 million higher mainly due to a remeasurement loss of \$12.4 million relating to finance lease receivables arising from the reduction in rental rates upon the renewal of the Central Office lease agreements with the lessee from Sep 2021.



## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

The reduction in rental rates is not expected to have a material cashflow impact for FY22 nor subsequent years. The accounting standards require the reduction in rental rate for FY22 and subsequent years (i.e. remaining lease term of the leasehold ranging from 47 to 67 years) to be recognised upfront as the remeasurement loss described above.

Depreciation and amortisation costs were \$1.3 million higher mainly due to a higher fixed asset base. Installation costs were \$1.2 million higher in line with higher installation revenue. Operation and maintenance costs were higher by \$0.7 million mainly due to more maintenance costs in H1 FY22 as compared to H1 FY21 where there were less maintenance works done due to stoppages in construction work nationwide. Finance costs declined by \$4.3 million mainly due to lower average interest rate in H1 FY22 at 1.06% as compared to 2.48% in H1 FY21, partially offset by transactions fees paid for \$510.0 million term loan which had been fully repaid on 31 May 2021.

Tax credit of \$3.4 million in H1 FY22 was in line with the tax benefits of the QPDS after offsetting taxable income and corresponding deferred tax recognised for the adjustment from the remeasurement of finance lease receivables. The Group achieved a lower profit after tax of \$4.7 million for H1 FY22, which was 10.5% lower than H1 FY21.

### **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF CASH FLOWS**

The Group's net cash from operating activities of \$138.4 million in H1 FY22 was \$2.5 million lower than H1 FY21. The decrease was mainly due to changes in working capital of \$4.4 million contributed by the increase in trade and other receivables from higher billings, partially offset by income tax refund received from prior years' income tax.

Net cash used in investing activities of \$32.8 million in H1 FY22 was \$5.5 million higher than H1 FY21 where stoppages of work amid safety measures to contain COVID-19 transmission led to lower capital expenditures incurred for property, plant and equipment.

Net cash used in financing activities of \$103.9 million in H1 FY22 was \$3.1 million higher than H1 FY21 mainly due to payment of loan arrangement fee for new Term Loan Facility drawn down in May 2021, higher distribution paid in H1 FY22 (Distribution Per Unit of 2.55 cents in Jun 2021 vs 2.53 cents in Jun 2020) and higher repayment of lease liabilities.

The resultant cash and cash equivalents balance for the Group as at 30 Sep 2021 was \$172.2 million.

### **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF FINANCIAL POSITION**

The Group reported total assets as at 30 Sep 2021 of \$4,070.9 million, \$52.6 million lower than total assets of \$4,123.5 million as at 31 Mar 2021. This was mainly due to lower property, plant and equipment and finance lease receivables, partially offset by higher trade and other receivables. Property, plant and equipment decreased \$50.0 million mainly due to depreciation partially offset by additions. Finance lease receivables were lower by \$13.6 million because of the remeasurement loss from finance lease receivables and the reclassification made to leasehold land and buildings as the main lessee has surrendered spaces in Central Offices. Trade and other receivables increased by \$10.9 million mainly due to the increase in diversion costs incurred in projects not completed yet and increase in trade receivables due to higher billings.

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

The Group reported total liabilities as at 30 Sep 2021 of \$1,322.9 million, \$3.1 million higher than total liabilities of \$1,319.8 million as at 31 Mar 2021, mainly from higher current tax liabilities, partially offset by lower deferred tax liabilities. Higher current tax liabilities were due to higher taxable profits. Lower deferred tax liabilities were due to the reduction of temporary timing differences from property, plant and equipment and recognising the remeasurement loss from finance lease receivables.

Total Unitholders' funds stood at \$2,748.0 million as at 30 Sep 2021, lower than \$2,803.7 million as at 31 Mar 2021 mainly due to the distribution paid, partially offset by profit generated from financial half year ended 30 Sep 2021.

### **20. OUTLOOK AND PROSPECT**

Singapore is transiting towards being a COVID-19 resilient nation. More restrictions are expected to be lifted as the Government opens the economy progressively. NetLink will remain vigilant in this transition and has put in place measures to minimise any disruption should there be any adverse developments.

NetLink Group's business model is resilient and is well-supported by predictable revenue streams from: (a) fibre connections to residential and non-residential premises, NBAP locations, network segments and other point-to-point connections and (b) contracted revenues. The Group's balance sheet and liquidity remains strong, underpinned by stable cashflows and access to financial resources to support future capital expenditure. The Group expects to maintain its distributions to Unitholders.

NetLink Group is continuing to expand its network to reach new residential dwellings and commercial buildings. In support of Singapore's digital inclusion effort, NetLink plans to collaborate with the RLs and Retail Service Providers to encourage first-time users to subscribe to fibre broadband services. In addition, NetLink will continue connecting the low-income households to the Nationwide Broadband Network via initiatives such as the Home Access Programme. The Group will also continue partnerships with the RLs and Retail Service Providers to support their efforts to acquire new enterprise and NBAP connections. In this regard, NetLink will (a) extend customised pricings to support RLs participating in projects involving multi-site and/or nation-wide connectivity; and (b) make available offerings to help digital transformations of SMEs. NetLink will continue enhancing its network capability to improve its presence at major data centres and support network roll-outs by mobile operators. NetLink will also be exploring opportunities to invest in telecommunication infrastructure businesses overseas.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**21. 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	Nature of Relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions of less than \$100,000)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions of less than \$100,000)
		H1 FY22 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)
NetLink NBN Management Pte. Ltd.	Trustee-Manager of NetLink NBN Trust		
- Management fees <sup>(1)</sup>		450	-
- Reimbursement of expenses		48	-

Note 1: Management fees paid is to Trustee-Management of NetLink NBN Trust mainly pertains to Directors' fees.

**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)**

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.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**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 half year ended 30 Sep 2021 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

3 November 2021

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

**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, ESR BizPark @ ChaiChee  
Singapore 469005

Dear Sirs

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE HALF YEAR  
ENDED 30 SEPTEMBER 2021**

**Introduction**

We have reviewed the accompanying financial information of NetLink NBN Trust (the "Trust") and its subsidiaries (the "Group") which comprise the interim consolidated statement of financial position of the Group and the interim statement of financial position of the Trust as at 30 September 2021, and the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in Unitholders' funds and interim consolidated statement of cash flows of the Group and the interim statement of changes in Unitholders' funds of the Trust for the half year ended 30 September 2021, selected notes and other explanatory information ("interim financial information").

Management is responsible for the preparation and presentation of this interim financial information in accordance with Singapore Financial Reporting Standards (International) 1- 34 *Interim Financial Reporting* ("SFRS(I)1- 34"). 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 is not prepared, in all material respects, in accordance with SFRS(I) 1-34.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

3 November 2021