

**NETLINK NBN TRUST
AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR
ENDED 30 SEPTEMBER 2020**

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

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 HALF YEAR ENDED 30 SEPTEMBER 2020**

SUMMARY OF THE NETLINK GROUP RESULTS

	Half Year Ended 30 Sep		Variance %
	2020	2019	
	("H1 FY21")	("H1 FY20")	
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	
Revenue ⁽¹⁾	181,465	186,113	(2.5)
EBITDA ⁽²⁾⁽³⁾	139,734	135,186	3.4
EBITDA margin ⁽²⁾⁽³⁾	77.0%	72.6%	4.4 pp
Profit after tax ("PAT")⁽²⁾	44,793	44,118	1.5

Note:

(1) Revenue for H1 FY21 was lower than H1 FY20 by 2.5% mainly due to lower installation-related revenue, diversion revenue and ducts and manholes service revenue, partially offset by higher residential connections revenue.

(2) EBITDA and PAT for H1 FY21 were higher than H1 FY20 by 3.4% and 1.5% respectively. The increase in H1 FY21 EBITDA was mainly due to higher other income arising from government grants, lower operation and maintenance costs, installation costs and diversion costs, partially offset by lower revenue and higher staff costs.

EBITDA margin for H1 FY21 at 77.0% was higher than H1 FY20 by 4.4 percentage points primarily contributed by the higher proportion of revenue from residential connections and from the Government relief grants received.

Further details of the NetLink Group's financial performance are provided in Note 15.

(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 2020

DISTRIBUTION STATEMENT

	H1 FY21 S\$'000 (Unaudited)	H1 FY20 S\$'000 (Unaudited)
Cash Available For Distribution ("CAFD")		
Profit before income tax	46,930	42,188
Add: Depreciation and amortisation	83,460	83,821
Add: Other non-cash item	1,181	1,004
Add: Changes in working capital	12,483	7,567
Less: Cash taxes	(3,164)	(290)
Less: Purchase of property, plant and equipment	(27,309)	(43,878)
Less: Repayment of lease liabilities	(1,321)	(1,500)
Less: Payment of loan arrangement fee	(900)	(8)
Transfer (into)/from: Cash held in reserves and provisions for capital expenditures and working capital including carve-out for Capex Reserve ⁽¹⁾ (see Distribution Policy)	(12,767)	9,300
CAFD	98,593	98,204
Distributions Attributable for the Half Year⁽²⁾	98,593	98,204

Note:

(1) 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 Infocomm Media Development Authority ("IMDA") for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NLT's network infrastructure. On a quarterly basis, NLT 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. Since Jan 2018, NLT has set aside S\$22.0 million for capital expenditure reserve (cumulatively from Jan 2018 to Sep 2020), of which approximately S\$17.6 million were utilised to increase network resiliency and capacity.

Capital expenditure reserve fund

	S\$'000 (Unaudited)
Opening balance as at 31 Mar 2020	8,271
Addition	4,000
Utilised to increase network resiliency and capacity	(7,870)
Closing balance as at 30 Sep 2020	4,401

(2) Total distributions paid/payable

	H1 FY21 S\$'000 (Unaudited)	H1 FY20 S\$'000 (Unaudited)	Payment Date
1 Apr 2019 – 30 Sep 2019	-	98,204	26 Nov 2019
1 Apr 2020 – 30 Sep 2020	98,593	-	4 Dec 2020
	98,593	98,204	

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

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 S\$98,593,369 or 2.53 Singapore cents per Unit is declared for NetLink Group's distribution period for the half year ended 30 Sep 2020 and will be payable on 4 Dec 2020 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 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	H1 FY21 S\$'000 (Unaudited)	H1 FY20 S\$'000 (Unaudited)	Variance (%)
Revenue		181,465	186,113	(2.5)
Other income	2	6,175	1,852	233.4
Expenses				
Operation and maintenance costs		(8,085)	(9,611)	(15.9)
Installation costs		(3,925)	(6,944)	(43.5)
Diversion costs		(3,185)	(4,031)	(21.0)
Depreciation and amortisation		(83,460)	(83,821)	(0.4)
Staff costs		(14,361)	(13,303)	8.0
Finance costs	3	(9,647)	(10,167)	(5.1)
Management fee		(501)	(506)	(1.0)
Other operating expenses	4	(17,546)	(17,394)	0.9
Total expenses		(140,710)	(145,777)	(3.5)
Profit before income tax		46,930	42,188	11.2
Income tax (expense)/credit	5	(2,137)	1,930	N.M.
Profit after income tax		44,793	44,118	1.5
Profit attributable to:				
Unitholders of the Trust		44,793	44,118	1.5
Other comprehensive income/(loss)				
Items that may be subsequently reclassified to profit or loss				
Cash flow hedges		2,416	(1,914)	N.M.
Total comprehensive income attributable to:				
Unitholders of the Trust		47,209	42,204	11.9
Earnings per unit:				
- basic and diluted		1.15 cents	1.13 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 2020

STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)

	Note	Group		Trust	
		As at 30 Sep 2020 S\$'000 (Unaudited)	As at 31 Mar 2020 S\$'000 (Audited)	As at 30 Sep 2020 S\$'000 (Unaudited)	As at 31 Mar 2020 S\$'000 (Audited)
ASSETS					
Current assets					
Cash and bank deposits		181,391	168,624	59,733	58,786
Trade and other receivables		40,882	46,029	120	67
Contract assets		26,244	27,382	-	-
Finance lease receivables		242	234	-	-
Inventories		4,399	4,302	-	-
Other current assets		3,406	4,615	204	252
		256,564	251,186	60,057	59,105
Non-current assets					
Finance lease receivables		87,302	87,425	-	-
Property, plant and equipment		2,970,470	3,026,656	-	-
Right-of-use assets		38,602	12,104	-	-
Rental deposits		223	220	-	-
Goodwill		746,854	746,854	-	-
Licence		82,207	84,326	-	-
Investment in subsidiaries		-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary		-	-	1,100,000	1,100,000
		3,925,658	3,957,585	3,113,673	3,113,673
Total assets		4,182,222	4,208,771	3,173,730	3,172,778
LIABILITIES					
Current liabilities					
Trade and other payables		59,884	58,502	225	680
Deferred revenue		20,910	19,028	-	-
Derivative financial instruments	6	4,216	6,945	-	-
Loans	7	-	509,411	-	-
Lease liabilities		2,577	1,821	-	-
Current tax liabilities		18,106	6,927	51	52
		105,693	602,634	276	732
Non-current liabilities					
Deferred revenue		6,487	6,675	-	-
Loans	7	664,295	155,377	-	-
Lease liabilities		37,536	12,284	-	-
Deferred tax liabilities		512,657	524,863	-	-
		1,220,975	699,199	-	-
Total liabilities		1,326,668	1,301,833	276	732
Net Assets		2,855,554	2,906,938	3,173,454	3,172,046
UNITHOLDERS' FUNDS					
Units in issue	8	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficits)/Retained earnings		(264,901)	(211,101)	56,276	54,868
Hedging reserves		3,277	861	-	-
Total Unitholders' funds		2,855,554	2,906,938	3,173,454	3,172,046

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

	Group	
	H1 FY21	H1 FY20
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Units in issue at the beginning and end of the period	<u>3,117,178</u>	<u>3,117,178</u>
Accumulated deficits at the beginning of period	(211,101)	(94,039)
Adjustment on adoption of SFRS(I) 16 <i>Leases</i>	-	(2,173)
Restated accumulated deficits at the beginning of period	<u>(211,101)</u>	<u>(96,212)</u>
Profit for the period	44,793	44,118
Distribution paid	(98,593)	(95,086)
Accumulated deficits at the end of period	<u>(264,901)</u>	<u>(147,180)</u>
Hedging reserves at the beginning of period	861	6,713
Other comprehensive income/(losses) for the period	2,416	(1,914)
Hedging reserves at the end of period	<u>3,277</u>	<u>4,799</u>
Total	<u><u>2,855,554</u></u>	<u><u>2,974,797</u></u>

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

	Trust	
	H1 FY21	H1 FY20
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Units in issue at the beginning and end of the period	<u>3,117,178</u>	<u>3,117,178</u>
Retained earnings at the beginning of period	54,868	54,131
Profit for the period	100,001	95,891
Distribution paid	(98,593)	(95,086)
Retained earnings at the end of period	<u>56,276</u>	<u>54,936</u>
Total	<u><u>3,173,454</u></u>	<u><u>3,172,114</u></u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

Group	H1 FY21 S\$'000 (Unaudited)	H1 FY20 S\$'000 (Unaudited)
Operating activities		
Profit before income tax	46,930	42,188
Adjustments for:		
- Depreciation and amortisation	83,460	83,821
- Amortisation of transaction fees	407	408
- (Write-back of)/provision for loss allowance for trade receivables	(234)	37
- Provision/(write-back of provision) for stock obsolescence	40	(84)
- Interest expense	9,240	9,759
- Interest income	(303)	(990)
- Gain on disposal of property, plant and equipment	-	(4)
- Property, plant and equipment written off	595	343
Operating cash flows before working capital changes	140,135	135,478
Changes in working capital:		
- Trade and other receivables	6,701	(2,628)
- Contract assets	1,138	1,046
- Trade and other payables	4,781	9,532
- Inventories	(137)	(383)
Cash generated from operations	152,618	143,045
Interest received	303	1,058
Interest paid	(8,867)	(9,527)
Income tax paid	(3,164)	(290)
Net cash generated from operating activities	140,890	134,286
Investing activities		
Purchase of property, plant and equipment	(27,309)	(43,878)
Proceeds from sale of property, plant and equipment	-	4
Net cash used in investing activities	(27,309)	(43,874)
Financing activities		
Payment of loan arrangement fee	(900)	(8)
Repayment of lease liabilities	(1,321)	(1,500)
Distribution paid	(98,593)	(95,086)
Net cash used in financing activities	(100,814)	(96,594)
Net increase/(decrease) in cash and cash equivalents	12,767	(6,182)
Cash and cash equivalents at beginning of financial period	168,624	148,621
Cash and cash equivalents at end of financial period	181,391	142,439
Cash and cash equivalents consist of:		
Cash and bank balances	176,990	130,908
Capital expenditure reserve fund ^(a)	4,401	11,531
Cash and cash equivalents at end of financial period	181,391	142,439

(a) 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 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. 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. Since Jan 2018, NLT has set aside S\$22.0 million for capital expenditure reserve (cumulatively from Jan 2018 to Sep 2020). of which approximately S\$17.6 million were utilised to increase network resiliency and capacity.

NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

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 2020.

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 2020.

2. OTHER INCOME

	H1 FY21	H1 FY20
	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)
Net gain on disposal of property, plant and equipment	-	4
Interest income	303	990
Government grants ⁽¹⁾	5,409	-
Third party compensation ⁽²⁾	59	262
Others ⁽³⁾	404	596
	<u>6,175</u>	<u>1,852</u>

- (1) Government grants consists mainly Wage Credit Scheme, Jobs Support Scheme and property tax rebate.
- (2) Third party compensation consists mainly of compensation received from third parties for cable cuts.
- (3) 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.

NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

3. FINANCE COSTS

	H1 FY21	H1 FY20
	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)
Interest expense on:		
- Bank loans	4,832	9,067
- Lease liabilities	631	267
- Others	63	66
Financing related costs	670	716
Realised loss on interest rate swaps	3,451	51
	<u>9,647</u>	<u>10,167</u>

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

Finance costs	9,647	10,167
Amortisation of transaction fees	(407)	(408)
Interest expense	<u>9,240</u>	<u>9,759</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

4. OTHER OPERATING EXPENSES

The other operating expenses include the following items:

	H1 FY21	H1 FY20
	S\$'000	S\$'000
Group	(Unaudited)	(Unaudited)
Property tax	8,482	8,076
System maintenance costs	3,505	3,726
(Write-back of)/provision for loss allowance for trade receivables	(234)	37
Property, plant and equipment written off	595	343
Provision/(write-back of provision) for inventory obsolescence	40	(84)

5. INCOME TAX (EXPENSE)/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:

	H1 FY21	H1 FY20
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Profit before income tax	46,930	42,188
Income tax expense calculated at a tax rate of 17%	(7,978)	(7,172)
Effect of:		
- Expenses not deductible for tax purposes	(239)	(291)
- Tax relief and tax rebate	26	35
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities [^]	9,844	9,844
- Under provision in prior year ^{^^}	(3,705)	(161)
- Others	(85)	(325)
Tax credit attributable to current period's profit	(2,137)	1,930

[^] – 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 NetLink Group, which are qualifying project debt securities ("QPDS").

^{^^} – 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 is an additional assessment resulting in an income tax expense of approximately \$3.7 million.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

6. 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				
30 Sep 2020	Level 1	Level 2	Level 3	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000

Financial liabilities

Derivative financial instruments	-	4,216	-	4,216
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Group				
31 Mar 2020	Level 1	Level 2	Level 3	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000

Financial liabilities

Derivative financial instruments	-	6,945	-	6,945
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The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has S\$666.0 million (31 Mar 2020: S\$666.0 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\$510 million (31 Mar 2020: S\$636.0 million). Accordingly, 76.6% (31 Mar 2020: 95.5%) 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 HALF YEAR ENDED 30 SEPTEMBER 2020

7. GROUP'S BORROWINGS AND DEBT SECURITY

Group				
	Effective Average Interest rate (%)	As at 30 Sep 2020 S\$'000 (Unaudited)	Effective Average Interest rate (%)	As at 31 Mar 2020 S\$'000 (Audited)
Unsecured borrowings				
Repayable within one year				
- Bank loans (unsecured)	-	-	2.88	509,411
Repayable after one year				
- Bank loans (unsecured)	2.48	664,295	2.43	155,377
		<u>664,295</u>		<u>664,788</u>
Committed revolving credit facility ("RCF") and term loan				
Commencement Date	Terms	Utilised As at 30 Sep 2020 S\$'000 (Unaudited)	Utilised As at 31 Mar 2020 S\$'000 (Audited)	
- 24 Mar 2016 ⁽¹⁾	S\$510 million Five-Year Term Loan	510,000	510,000	
- 24 Mar 2016 ⁽¹⁾	S\$90 million Five-Year RCF	-	-	
- 19 Mar 2020	S\$210 million Three-Year RCF	156,000	156,000	
		<u>666,000</u>	<u>666,000</u>	
	Transaction costs	(1,705)	(1,212)	
		<u>664,295</u>	<u>664,788</u>	

- (1) The S\$510 million Five-Year Term Loan and S\$90 million Five-Year RCF which commenced on 24 Mar 2016 were extended on 21 Jul 2020 to mature on 24 Mar 2022.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

8. UNITS IN ISSUE

Group and Trust	Number of units	
	H1 FY21 (Unaudited)	H1 FY20 (Unaudited)
Balance as at beginning of year and at end of period	3,896,971,100	3,896,971,100

9. NET ASSET VALUE

	Group		Trust	
	As at 30 Sep 2020 Units (Unaudited)	As at 31 Mar 2020 Units (Audited)	As at 30 Sep 2020 Units (Unaudited)	As at 31 Mar 2020 Units (Audited)
NAV per unit based on issued units at the end of period (cents)	73.3	74.6	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

10. 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 2020 S\$'000 (Unaudited)	As at 31 Mar 2020 S\$'000 (Audited)	As at 30 Sep 2020 S\$'000 (Unaudited)	As at 31 Mar 2020 S\$'000 (Audited)
Property, plant and equipment	45,254	36,290	-	-

11. 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.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

12. 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:

	H1 FY21	H1 FY20
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Services rendered to a substantial Unitholder	81,264	80,989
Services rendered to subsidiaries of a substantial shareholder of the substantial Unitholder	55,524	57,287
Purchase of services from a substantial Unitholder	2,619	2,816
Purchase of fixed assets from a substantial Unitholder	4	2,239
Management fee paid or payable to Trustee-Manager of the Trust	501	506
Purchase of services from subsidiaries of a substantial shareholder of the substantial Unitholder	1,996	2,014
Purchases of goods from subsidiaries of the substantial Unitholder	245	303

13. DISTRIBUTIONS

(a) Current Financial Period Reported on

Amount : S\$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.

(b) Date Payable : 4 Dec 2020

(c) Corresponding Period of the Immediately Preceding Financial Year

Amount : S\$98,203,672
 Distribution Period : 1 Apr 2019 to 30 Sep 2019
 Distribution Rate : 2.52 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 19 Nov 2020 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 19 Nov 2020 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 19 Nov 2020 will be entitled to the distribution to be paid on 4 Dec 2020.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

14. OTHER INFORMATION

The statements of financial position as at 30 Sep 2020 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 half year ended 30 Sep 2020 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 22 of this announcement).

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

15. REVIEW OF PERFORMANCE VARIANCE

	H1 FY21 S\$'000 (Unaudited)	H1 FY20 S\$'000 (Unaudited)	Variance (%)
Fibre business revenue:			
Residential connections	118,474	113,819	4.1
Non-residential connections	15,254	15,445	(1.2)
NBAP and Segment connections	3,952	3,582	10.3
Installation-related revenue	6,892	12,369	(44.3)
Diversion revenue	3,259	6,198	(47.4)
Co-location and Other revenue	9,551	10,269	(7.0)
Total Fibre Business Revenue	157,382	161,682	(2.7)
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	14,585	15,511	(6.0)
Central Office revenue	9,498	8,920	6.5
Total Ducts, Manholes and Central Office Revenue	24,083	24,431	(1.4)
Total Revenue	181,465	186,113	(2.5)

H1 FY21 vs H1 FY20

Revenue of S\$181.5 million for H1 FY21 decreased by 2.5% mainly due to lower installation-related revenue, diversion revenue and ducts and manholes service revenue. This was partially offset by higher residential connections revenue. Lower installation-related revenue of S\$5.5 million was mainly from lower installation charges from fewer installation orders and service activations as compared to H1 FY20 when StarHub was migrating its coaxial subscribers onto fibre. In addition, COVID-19 related issues from April to August 2020 contributed to lower availability of contractor resources and restricted access to home and buildings which affected the completion of installation works in H1 FY21. Lower diversion revenue of S\$2.9 million in H1 FY21 as compared to H1 FY20 was partly due to fewer completed and billed projects as stoppages of construction work nationwide affected cable diversion work. Ducts and manholes service revenue decreased by S\$0.9 million mainly due to the completion of fewer joint-build projects in H1 FY21 and a reduction in service revenue from the leasing of NetLink's ducts. Residential connections revenue increased by S\$4.7 million as a result of a higher number of connections. As at 30 Sep 2020, there were 1,437,360 connections as compared to 1,410,627 connections as at 30 Sep 2019.

Total expenses for H1 FY21 were S\$5.1 million lower mainly due to lower operation and maintenance costs, installation costs, diversion costs, and finance costs, partially offset by higher staff costs. Operation and maintenance costs was lower by S\$1.5 million mainly due to COVID-19 related issues affecting contractor resources which resulted in lower expenses. Installation costs were S\$3.0 million lower, in line with lower installation revenue. Diversion costs were lower by S\$0.8 million, which included S\$0.9 million diversion costs for projects completed in prior years. Excluding the impact of S\$0.9 million diversion cost from prior year projects, diversion costs would have been lower by S\$1.7 million, in line with lower diversion revenue. Finance costs declined by S\$0.5 million due to lower average interest rate in H1 FY21 at 2.48% as compared to 2.85% in H1 FY20. Staff costs for H1 FY21 were S\$1.1 million higher mainly due to lower capitalisation of staff costs as there were fewer fibre top up projects completed in H1 FY21 as compared to H1 FY20.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

The Group achieved a Profit After Tax of S\$44.8 million for H1 FY21, which was 1.5% higher than H1 FY20.

REVIEW OF PERFORMANCE - STATEMENTS OF CASH FLOWS

The Group's net cash from operating activities of S\$140.9 million in H1 FY21 was S\$6.6 million higher than H1 FY20. The increase was largely due to government grants received.

Net cash used in investing activities of S\$27.3 million in H1 FY21 was S\$16.6 million lower than H1 FY20 mainly due to lower capital expenditures incurred for property, plant and equipment as a result of stoppages of construction work amid safety measures to contain COVID-19 transmission.

Net cash used in financing activities of S\$100.8 million in H1 FY21 was S\$4.2 million higher than H1 FY20 mainly due to higher distribution paid in H1 FY21 (Distribution Per Unit of 2.53 cents in June 2020 vs 2.44 cents in June 2019) coupled with payment of loan arrangement fee for the extension of the Term Loan Facility from March 2021 to March 2022 during H1 FY21.

The resultant cash and cash equivalents balance for the Group as at 30 Sep 2020 was S\$181.4 million.

REVIEW OF PERFORMANCE - STATEMENTS OF FINANCIAL POSITION

The Group reported total assets as at 30 Sep 2020 of S\$4,182.2 million, S\$26.6 million lower than total assets of S\$4,208.8 million as at 31 Mar 2020. This was mainly due to lower trade and other receivables and property, plant and equipment, partially offset by higher cash and right-of-use ("ROU") assets. The ROU assets increased as a result of the Group entering into new lease agreements for additional space in Central Offices to house and operate the Group's fibre termination and distribution points, and related equipment during H1 FY21.

The Group reported total liabilities as at 30 Sep 2020 of S\$1,326.7 million, S\$24.9 million higher than total liabilities of S\$1,301.8 million as at 31 Mar 2020 mainly from the Group entering into new lease agreements for additional space in Central Offices during H1 FY21, and higher current tax liabilities from higher taxable profit, partially offset by lower deferred tax liabilities arising from the reduction of temporary timing differences from property, plant and equipment.

Total Unitholders' funds stood at S\$2,855.6 million as at 30 Sep 2020, lower than S\$2,906.9 million as at 31 Mar 2020 mainly due to the distribution paid, partially offset by profit generated from the half year ended 30 Sep 2020.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

16. OUTLOOK AND PROSPECT

The COVID-19 pandemic is still ongoing and its eventual impact is uncertain. While NetLink Group's capacity to fulfil new service requests has normalised, it remains mindful of this uncertainty and the potential impact on the Group.

Nevertheless, NetLink Group's business model is resilient and is well-supported by predictable revenue streams from: (a) monthly recurring charges for fibre connections to residential and non-residential premises, and non-building address points ("NBAP") locations; 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.

NetLink Group is continuing to expand its network in new housing estates. NetLink 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. NetLink Group will continue to support mobile operators by deploying fibres to support their mobile network infrastructure. NetLink Group has also made available customised offerings tailored for SMEs, as well as improve its presence at major data centres.

17. 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>	
	H1 FY21	S\$'000
NetLink NBN Management Pte. Ltd.	(Unaudited)	
- Management fees		450
- Reimbursement of expenses		51

18. 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 2020**

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

6 November 2020

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

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 2020**

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 30 September 2020, 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 half year ended 30 September 2020, 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

6 November 2020