

**NETLINK NBN TRUST
AND ITS SUBSIDIARIES**

SGX APPENDIX 7.2 ANNOUNCEMENT

**For The Financial Quarter
ended 31 March 2018 and
Financial Period from 19 June 2017
to 31 March 2018**

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NETLINK NBN TRUST AND ITS SUBSIDIARIES

**For The Financial Quarter ended 31 March 2018 and
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INTRODUCTION

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed dated 19 June 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 July 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 “Trust Group” or “Group”.

The Trust 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 Trust 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 Trust 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 Trust Group are as follows: (i) the use of the Trust 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 Trust 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 Trust Group is regulated, whereby the Trust 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.

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SUMMARY OF THE TRUST GROUP RESULTS

	1 January 2018 to 31 March 2018			19 June 2017 to 31 March 2018		
	("Q4")			("FP")		
	Actual ⁽¹⁾	Forecast ⁽²⁾	Change	Actual ⁽¹⁾	Forecast ⁽²⁾	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)		(Audited)	(Unaudited)	
Revenue ⁽³⁾	80,716	84,387	(4.4)	228,587	232,802	(1.8)
EBITDA ⁽⁴⁾⁽⁵⁾						
(Unaudited)	57,341	58,432	(1.9)	167,275	161,235	3.8
EBITDA Margin ⁽⁴⁾						
(Unaudited)	71.0%	69.2%		73.2%	69.3%	
Profit after tax for the quarter/ period ⁽⁵⁾	15,294	16,346	(6.4)	49,950	45,088	10.8

Note:

(1) The results for Q4 is from 1 January 2018 to 31 March 2018. The Financial Period ("FP") results is from 19 June 2017 to 31 March 2018. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on 19 July 2017, the date on which the Trust was listed ("Listing Date").

(2) Forecast results for Q4 and FP included (i) the actual results for the period 19 July 2017 to 31 July 2017 and (ii) August 2017 to March 2018 figures that were part of the Forecast Period 2018 projections disclosed in the prospectus dated 10 July 2017 (the "Prospectus").

(3) Revenue for Q4 was lower than forecast mainly due to lower installation-related revenue. This was partially offset by higher than forecast Central Office revenue, recurring Residential, Non-Residential and Segment Fibre connection revenue. Revenue for the financial period was also lower than forecast mainly due to lower installation-related revenue. This was partially offset by higher than forecast recurring Residential and Non-Residential connection revenue, Ducts and Manholes service revenue, Central Office revenue and Diversion revenue.

(4) 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 Trust 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. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity, and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.

(5) EBITDA and Profit After Tax for Q4 were lower than forecast by 1.9% and 6.4% respectively mainly due to lower installation-related revenues. EBITDA and Profit After Tax for the financial period were ahead of forecast by 3.8% and 10.8% respectively. This was mainly due to lower operation and maintenance costs, staff costs and other operating expenses. Further details are provided in Note 15.

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Distribution Statement

For the Financial Period from 19 June 2017 to 31 March 2018 ^(a)

	FP 2018
	S\$'000
	(Unaudited)
Cash Available For Distribution ("CAFD")	
Profit before Income Tax	43,809
Add: Depreciation and amortisation	111,811
Less: Pre-acquisition interest paid to substantial unitholder ⁽¹⁾	(8,249)
Less: Other Non-cash item	(2,502)
Add: Changes in Working Capital	25,075
Less: Cash Taxes	(11,510)
Less: Purchase of Property, Plant and Equipment	(212,181)
Less: Regulatory Carve-out for Capex Reserve	(8,000)
Less: Principal Unitholder Loan Repayment	(1,100,477)
Add: Proceeds from Revolving Loan Facility	81,000
Less: Investment Cash flow	(1,095,044)
Add: Proceeds from Equity Issuance	2,334,718
Less: minimum cash balance for working capital requirements	(20,000)
Less: Accumulation of existing cash balance	(12,188)
CAFD	<u>126,262</u>
Distributions Attributable for the Financial Period	<u><u>126,262</u></u>

Note: (1) This relates to loan interest accrued to a substantial unitholder from 1 April 2017 to 18 July 2017 which was paid on 19 July 2017 together with the repayment of the Unitholder Loan.

Distribution Policy

The Trust's full distribution policy can be found in the prospectus of the Trust dated 10 July 2017.

The Trust'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, debt repayment and working capital as may be required.

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

A distribution in the total amount of S\$126,261,864 or 3.24 Singapore cents per Unit is declared for the Trust's first distribution period from 19 July 2017 to 31 March 2018 and will be payable on 8 June 2018 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.

(a) The financial period is from 19 June 2017 to 31 March 2018. No comparative Distribution Statement has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018 ^(a)

Group	Note	Q4	FP
		1 January 2018 to 31 March 2018	19 June 2017 to 31 March 2018
		S\$'000 (Unaudited)	S\$'000 (Audited)
Revenue		80,716	228,587
Other income	2	725	1,521
Expenses			
Operation and maintenance costs		(3,830)	(9,400)
Installation costs		(4,392)	(11,340)
Depreciation and amortisation		(40,306)	(111,811)
Staff costs		(4,670)	(12,848)
Finance costs	3	(4,457)	(12,180)
Management fee		(298)	(948)
Other operating expenses		(10,551)	(27,772)
Total expenses	4	(68,504)	(186,299)
Profit before income tax		12,937	43,809
Income tax credit	5	2,357	6,141
Profit after income tax		15,294	49,950
Profit attributable to:			
Unitholders of the Trust		15,294	49,950
Other comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges		4,708	7,250
Total comprehensive income attributable to:			
Unitholders of the Trust		20,002	57,200
Earnings per unit:			
- basic and diluted		0.39 cents	1.28 cents

(a) The financial quarter is from 1 January 2018 to 31 March 2018. The financial period is from 19 June 2017 to 31 March 2018. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)

As at 31 March 2018^(a)

	Note	Group S\$'000 (Audited)	Trust S\$'000 (Audited)
ASSETS			
Current assets			
Cash and bank deposits		166,449	861
Trade and other receivables		63,511	81,102
Finance lease receivables		208	-
Inventories		3,889	-
Other current assets		4,076	360
		<u>238,133</u>	<u>82,323</u>
Non-current assets			
Finance lease receivables		87,880	-
Property, plant and equipment		3,210,668	-
Rental deposits		713	-
Goodwill		746,854	-
Licence		92,802	-
Investment in subsidiaries		-	2,013,673
Subordinated loan to a subsidiary		-	1,100,000
		<u>4,138,917</u>	<u>3,113,673</u>
Total assets		<u><u>4,377,050</u></u>	<u><u>3,195,996</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables		48,374	685
Deferred revenue		12,485	-
		<u>60,859</u>	<u>685</u>
Non-current liabilities			
Derivative financial instruments	6	244	-
Loans	7	588,742	-
Deferred tax liabilities		552,827	-
		<u>1,141,813</u>	<u>-</u>
Total liabilities		<u>1,202,672</u>	<u>685</u>
Net Assets		<u><u>3,174,378</u></u>	<u><u>3,195,311</u></u>
UNITHOLDERS' FUNDS			
Units in issue	8	3,117,178	3,117,178
Retained earnings		49,950	78,133
Hedging reserves		7,250	-
Total Unitholders' funds		<u><u>3,174,378</u></u>	<u><u>3,195,311</u></u>

(a) The financial period is from 19 June 2017 to 31 March 2018. No comparative Statements of Financial Position (Group and Trust) has been prepared as NetLink NBN Trust was constituted on 19 June 2017.

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STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP AND TRUST)

For the Financial Quarter ended 31 March 2018 ^(a)

	Units in issue S\$'000 (Unaudited)	Retained earnings S\$'000 (Unaudited)	Hedging reserves S\$'000 (Unaudited)	Total S\$'000 (Unaudited)
Group 2018				
At 1 January 2018	3,114,426	34,656	2,542	3,151,624
Total comprehensive income for the period:				
Profit for the period	-	15,294	-	15,294
Other comprehensive income for the period	-	-	4,708	4,708
	<u>3,114,426</u>	<u>49,950</u>	<u>7,250</u>	<u>3,171,626</u>
Transactions with Unitholders, recognised directly in equity:				
Adjustment of listing expenses credited directly into equity	2,752	-	-	2,752
At 31 March 2018	<u>3,117,178</u>	<u>49,950</u>	<u>7,250</u>	<u>3,174,378</u>
	Units in issue S\$'000 (Unaudited)	Retained earnings S\$'000 (Unaudited)	Total S\$'000 (Unaudited)	
Trust 2018				
At 1 January 2018	3,114,426	50,150	3,164,576	
Total comprehensive income for the period:				
Profit for the period	-	27,983	27,983	
	<u>3,114,426</u>	<u>78,133</u>	<u>3,192,559</u>	
Transactions with Unitholders, recognised directly in equity:				
Adjustment of listing expenses credited directly into equity	2,752	-	2,752	
At 31 March 2018	<u>3,117,178</u>	<u>78,133</u>	<u>3,195,311</u>	

(a) The financial quarter is from 1 January 2018 to 31 March 2018. The financial period is from 19 June 2017 to 31 March 2018. No comparative Statements of Changes in Unitholders' Funds (Group and Trust) has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP AND TRUST)

For the Financial Period from 19 June 2017 to 31 March 2018 ^(a)

	Units in issue S\$'000 (Audited)	Retained earnings S\$'000 (Audited)	Hedging reserves S\$'000 (Audited)	Total S\$'000 (Audited)
Group				
2018				
At 19 June 2017	*	-	-	*
Total comprehensive income for the period:				
Profit for the period	-	49,950	-	49,950
Other comprehensive income for the period	-	-	7,250	7,250
	<u>*</u>	<u>49,950</u>	<u>7,250</u>	<u>57,200</u>
Transactions with Unitholders, recognised directly in equity:				
Issue of units	3,156,547	-	-	3,156,547
Listing expenses debited directly into equity	(39,369)	-	-	(39,369)
	<u>3,117,178</u>	<u>49,950</u>	<u>7,250</u>	<u>3,174,378</u>
At 31 March 2018				
	Units in issue S\$'000 (Audited)	Retained earnings S\$'000 (Audited)	Total S\$'000 (Audited)	
Trust				
At 19 June 2017	*	-	-	*
Total comprehensive income for the period:				
Profit for the period	-	78,133	78,133	
	<u>*</u>	<u>78,133</u>	<u>78,133</u>	
Transactions with Unitholders, recognised directly in equity:				
Issue of units	3,156,547	-	3,156,547	
Listing expenses debited directly into equity	(39,369)	-	(39,369)	
	<u>3,117,178</u>	<u>78,133</u>	<u>3,195,311</u>	
At 31 March 2018				

* Amount less than S\$1,000

(a) The financial quarter is from 1 January 2018 to 31 March 2018. The financial period is from 19 June 2017 to 31 March 2018. No comparative Statement of Cash Flows has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018^(a)

Group	Q4	FP
	1 January 2018 to 31 March 2018 S\$'000 (Unaudited)	19 June 2017 to 31 March 2018 S\$'000 (Audited)
Operating activities		
Profit before income tax	12,937	43,809
Adjustments for:		
- Depreciation and amortisation	40,306	111,811
- Amortisation of transaction fees	200	573
- Allowance/(Write-back of allowance) of impairment for trade receivables	84	(58)
- Provision for stock obsolescence	14	59
- Recognition of deferred revenue	(1,664)	(4,017)
- Interest expense	4,257	11,607
- Interest income	(360)	(525)
- Property, plant and equipment written off	1,150	1,514
Operating cash flows before working capital changes	56,924	164,773
Changes in working capital:		
- Trade and other receivables	1,712	16,445
- Trade and other payables	8,416	6,653
- Inventories	(259)	1,977
Cash generated from operations	66,793	189,848
Interest received	360	525
Interest paid	(4,220)	(20,407)
Income tax paid	(1,623)	(11,510)
Net cash generated from operating activities	61,310	158,456
Investing activities		
Acquisition of subsidiaries, net of cash (Note 1)	(2,722)	(1,095,044)
Purchase of property, plant and equipment	(23,674)	(212,181)
Net cash used in investing activities	(26,396)	(1,307,225)
Financing activities		
Repayment of Unitholder's loan	-	(1,100,477)
Proceeds from bank loans	-	81,000
Payment of loan arrangement fee	(23)	(23)
Proceeds from issuance of units, net of listing expenses	2,752	2,334,718
Net cash from financing activities	2,729	1,315,218
Net increase in cash and cash equivalents	37,643	166,449
Cash and cash equivalents at beginning of financial period	128,806	-
Cash and cash equivalents at end of financial period	166,449	166,449

(a) The financial quarter is from 1 January 2018 to 31 March 2018. The financial period is from 19 June 2017 to 31 March 2018. No comparative Statement of Cash Flows has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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Note 1: Payment for acquisition of subsidiaries

During the financial period, the Trust acquired all the units of NetLink Trust and all the equity shares of NetLink Management Pte. Ltd. for a total consideration of S\$1,896.7 million. The fair value of the identifiable assets acquired and liabilities at the date of acquisition based on the final purchase price allocation report prepared by an independent party are as follows:

	FP 19 June 2017 to 31 March 2018
	S\$'000 (Audited)
Cash and bank deposits	19,090
Trade and other receivables	80,550
Finance lease receivables	88,236
Inventories	5,925
Other assets	2,516
Property, plant and equipment	3,110,625
Licence	95,980
Rental deposits	946
Trade and other payables	(67,799)
Deferred revenue	(2,388)
Current tax liabilities	(19,304)
Loans	(507,169)
Unitholder loan	(1,100,477)
Derivative financial instrument	(7,493)
Deferred tax liabilities	(549,419)
Total identifiable net assets acquired at fair value	<u>1,149,819</u>
Goodwill on acquisition	<u>746,854</u>
Total purchase consideration	<u>1,896,673</u>
Less: Cash and bank deposits acquired	(19,090)
Less: Issuance of consideration units to Singtel ⁽¹⁾	(782,460)
Less: Consideration unpaid as at 31 March 2018	(79)
Net outflow of cash⁽²⁾	<u>1,095,044</u>

Footnotes:

(1) Singtel Consideration Units of 965,999,998 units issued at S\$0.81.

(2) S\$2,722,000 of cash consideration, which was unpaid as at 31 December 2017 was paid during Q4.

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SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the Financial Quarter ended 31 March 2018 and
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1. BASIS OF PREPARATION

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current quarter / financial period as those stated in the Prospectus. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 19 June 2017 did not have a significant impact on the financial statements of the Group and the Trust.

2. OTHER INCOME

	Q4	FP
	1 January 2018 to 31 March 2018	19 June 2017 to 31 March 2018
	S\$'000	S\$'000
Group	(Unaudited)	(Audited)
Interest income	360	525
Others ⁽¹⁾	365	996
	725	1,521
	725	1,521

(1) Others consist mainly of income from Wage Credit Scheme, Fibre Readiness Certification, Restoration Cost Recovery and Plant Route Plans.

3. FINANCE COSTS

	Q4	FP
	1 January 2018 to 31 March 2018	19 June 2017 to 31 March 2018
	S\$'000	S\$'000
Group	(Unaudited)	(Audited)
Interest expense on		
- Bank loans	3,122	7,540
- Others	35	102
Financing related costs	390	1,235
Realised loss on interest rate swaps	910	3,303
	4,457	12,180
	4,457	12,180

For cash flow purposes, finance cost do not include amortisation of commitment fee of \$573,000.

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4. TOTAL EXPENSES

The total expenses included the following items:-

Group	Q4	FP
	1 January 2018 to 31 March 2018 S\$'000 (Unaudited)	19 June 2017 to 31 March 2018 S\$'000 (Audited)
Allowance/(Write-back of allowance) of impairment for trade receivables	84	(58)
Property, plant and equipment written off	1,150	1,514
Provision for stock obsolescence	14	59
	<u>14</u>	<u>59</u>

5. 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:

	Q4	FP
	1 January 2018 to 31 March 2018 S\$'000 (Unaudited)	19 June 2017 to 31 March 2018 S\$'000 (Audited)
Profit before income tax:	<u>12,937</u>	<u>43,809</u>
Income tax expense calculated at a tax rate of 17%	(2,199)	(7,448)
Effect of:		
- Income not subject to taxation	-	18
- Expenses not deductible for tax purposes	(204)	(775)
- Tax relief	20	20
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities [^]	4,841	13,771
- Over provision in prior year	15	400
- Others	(116)	155
Tax credit attributable to current period's profit	<u>2,357</u>	<u>6,141</u>

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

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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 table presents the assets and liabilities measured at fair value as at 31 March 2018.

Group				
31-Mar-18	Level 1	Level 2	Level 3	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Financial liabilities				
Derivative financial instruments	-	244	-	244

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has S\$591.0 million bank loan outstanding and has entered into a series of pay-fixed-receive-floating 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\$510.0 million over the period of the bank loan. Accordingly, interest from 86% of the Group's existing bank loans has been hedged.

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7. GROUP'S BORROWINGS AND DEBT SECURITY

	Effective Average Interest rate (%)	Group As at 31 March 18 S\$'000 (Audited)	Trust As at 31 March 18 S\$'000 (Audited)
Unsecured borrowings			
Repayable after one year			
- Bank loans (unsecured)	2.62	588,742	-

Committed revolving credit facility ("RCF") and term loan			Utilised As at 31 March 18 S\$'000 (Audited)
Maturity	Terms		
March 2021	\$510 million Five-Year Term Loan		510,000
March 2021	\$90 million Five-Year RCF		-
June 2020	\$210 million Three-Year RCF		81,000 ¹
			591,000
	Transaction costs		(2,258)
			588,742

Footnotes:

(1) \$81 million was drawn down to fund capital expenditure.

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8. UNITS IN ISSUE

Group and Trust	31 March 18 Number of units (Audited)	31 March 18 Units in Issue S\$'000 (Audited)
Balance as at beginning of period (19.6.2017)	1	*
Issue of new units	3,896,971,099	3,156,547
Less: Listing expenses	-	(39,369)
Balance as at end of period (31.03.2018)	<u>3,896,971,100</u>	<u>3,117,178</u>

Units in issue comprises 1 initial subscriber Unit, 2,898,000,001 units issued in connection with the initial public offering of the Trust ("IPO"), 965,999,998 Singtel consideration units issued in connection with the purchase of all the units in NLT, and 32,971,100 units issued pursuant to the exercise of an over-allotment option granted in connection with the IPO. All issued units are fully paid and rank pari passu in all respects.

* Amount less than S\$1,000

9. NET ASSET VALUE

	Group As at 31 March 18 Cents (Audited)	Trust As at 31 March 18 Cents (Audited)
NAV per unit based on issued units at the end of the period	<u>81.5</u>	<u>82.0</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

10. COMMITMENTS

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

	Group As at 31 March 18 S\$'000 (Audited)	Trust As at 31 March 18 S\$'000 (Audited)
Property, plant and equipment	41,759	-

11. SEGMENT INFORMATION

The chief operating decision maker has been determined as the Chief Executive Officer of the Trust 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 Trust 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 Trust Group operates in one single business and geographical segment.

Breakdown of Revenue

	Financial Period 19 June 2017 to 30 September 2017* S\$'000 (Unaudited)	Financial Period 1 October 2017 to 31 March 2018* S\$'000 (Unaudited)
Total revenue for the period	64,755	163,832
Operating profit after income tax	12,986	36,964

*No comparative figures are presented as the Trust was listed on 19 July 2017.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

12. RELATED PARTY TRANSACTIONS

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

	Q4 1 January 2018 to 31 March 2018 S\$'000 (Unaudited)	FP 19 June 2017 to 31 March 2018 S\$'000 (Audited)
Services rendered to a substantial Unitholder	39,672	112,137
Services rendered to a subsidiary of a substantial shareholder of a substantial Unitholder	21,683	61,987
Purchase of services and goods from a substantial Unitholder	6,933	155,924
Management fee paid or payable to Trustee-Manager of the Trust	277	927
Purchase of services from subsidiaries of a substantial shareholder of a substantial Unitholder	498	1,082
Purchases of goods from subsidiaries of a substantial Unitholder	1,165	2,453

13. DISTRIBUTIONS

A distribution in the total amount of S\$126,261,864 or 3.24 Singapore cents per Unit is declared for the Trust's first distribution period from 19 July 2017 (date of initial public offering) to 31 March 2018 and will be payable on 8 June 2018 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. The distribution to unitholders is exempted 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 23 May 2018 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 23 May 2018 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 23 May 2018 will be entitled to the distribution to be paid on 8 June 2018.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

**For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018**

14. OTHER INFORMATION

The statements of financial position as at 31 March 2018 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 financial period from 19 June 2017 to 31 March 2018 presented in this announcement have been audited in accordance with the Singapore Standard on Auditing (see auditor's report on [Page 24](#) of this announcement).

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

REVIEW OF PERFORMANCE VARIANCE BETWEEN ACTUAL AND FORECAST

15. Actual vs forecast for the Financial Quarter ended 31 March 2018 and Financial Period from 19 June 2017 to 31 March 2018

	Q4			FP		
	1 January 2018 to 31 March 18			19 June 2017 to 31 March 18		
	Actual	Forecast ⁽¹⁾	Variance	Actual	Forecast ⁽¹⁾	Variance
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
	(Unaudited)	(Unaudited)		(Audited)	(Unaudited)	
Revenue	80,716	84,387	(4.4)	228,587	232,802	(1.8)
Other income	725	-	N.M. ⁽²⁾	1,521	29	N.M. ⁽²⁾
Expenses						
Operation and maintenance costs	(3,830)	(4,229)	(9.4)	(9,400)	(11,944)	(21.3)
Installation costs	(4,392)	(4,645)	(5.4)	(11,340)	(12,437)	(8.8)
Depreciation and amortisation	(40,306)	(39,617)	1.7	(111,811)	(110,543)	1.1
Staff costs	(4,670)	(5,805)	(19.6)	(12,848)	(16,165)	(20.5)
Finance costs	(4,457)	(5,044)	(11.6)	(12,180)	(12,882)	(5.4)
Management fee	(298)	(235)	26.8	(948)	(901)	5.2
Other operating expenses	(10,551)	(11,041)	(4.4)	(27,772)	(30,140)	(7.9)
Total expenses	(68,504)	(70,616)	(3.0)	(186,299)	(195,012)	(4.5)
Profit before income tax	12,937	13,771	(6.1)	43,809	37,819	15.8
Income tax credit	2,357	2,575	(8.5)	6,141	7,269	(15.5)
Profit after income tax	15,294	16,346	(6.4)	49,950	45,088	10.8
Earnings per unit	0.39 cents	0.42 cents		1.28 cents	1.16 cents	

	Q4		FP	
	1 January 2018 to 31 March 2018		19 June 2017 to 31 March 2018	
	Number of Units ('000)		Number of Units ('000)	
	(Unaudited)		(Audited)	
Weighted average number of units in issue for calculation of basic and diluted earnings per unit	3,896,971		3,892,463	

(1) Forecast results for Q4 and FP included (i) the actual results for the period from 19 July to 31 July 2017 and (ii) August 2017 to March 2018 figures that were part of the Forecast Period 2018 projections disclosed in the Prospectus.

(2) N.M. = not meaningful.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

REVIEW OF PERFORMANCE VARIANCE BETWEEN ACTUAL AND FORECAST

Financial quarter ended 31 March 2018 ("Q4")

	Q4		
	1 January to 31 March 2018		
	Actual	Forecast	Variance
	S\$'000	S\$'000	(%)
	(Unaudited)	(Unaudited)	
Fibre business revenue:			
Residential connections	48,747	48,317	0.9
Non-residential connections	7,201	6,851	5.1
NBAP and Segment connections	1,711	1,427	19.9
Installation-related revenue	4,589	9,415	(51.3)
Co-location and Other revenue	6,102	6,467	(5.6)
Total Fibre Business Revenue	68,350	72,477	(5.7)
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	7,929	7,715	2.8
Central Office revenue	4,437	4,195	5.8
Total Ducts, Manholes and Central Office Revenue	12,366	11,910	3.8
Total Revenue	80,716	84,387	(4.4)

Revenue of S\$80.7 million for Q4 was 4.4% lower than the forecast mainly due to lower installation-related revenue. This was partially offset by higher than forecast Central Office revenue and recurring Residential, Non-Residential and Segment Fibre connection revenue. The increase in Central Office revenue was mainly due to increase in service charges while higher connection revenue was in line with more connections.

Total expenses for Q4 of S\$68.5 million was S\$2.1 million lower than forecast mainly due to lower operation and maintenance costs, staff costs, other operating expenses and finance costs. Operation and maintenance costs for Q4 was S\$0.4 million less than forecast mainly due to lower operating needs and deferrals due to timing reasons but will be incurred in future periods. Other operating expenses for Q4 was \$0.5 million lower than forecast due to deferred costs for IT maintenance. Staff costs for Q4 was S\$1.1 million lower mainly due to lower salary costs as the actual average headcount was lower as compared to forecast, and higher capitalisation of labour costs for Q4 as more projects relating to the fibre spare capacity top-up were completed as compared to forecast. Finance costs was less than forecast due to lower debt drawdown than projected as a result of stronger operational cash flow.

The Trust Group achieved a Profit After Tax of S\$15.3 million for Q4, which was 6.4% lower than forecast mainly due to lower revenue offset by lower operating and finance costs.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

Financial period from 19 June 2017 to 31 March 2018 ("FP")

	FP		
	19 June to 31 March 2018		
	Actual	Forecast	Variance
	S\$'000	S\$'000	(%)
	(Audited)	(Unaudited)	
Fibre business revenue:			
Residential connections	141,675	140,274	1.0
Non-residential connections	18,602	17,691	5.1
NBAP and Segment connections	5,603	5,435	3.1
Installation-related revenue	10,261	18,247	(43.8)
Co-location and Other revenue	17,905	17,709	1.1
Total Fibre Business Revenue	194,046	199,356	(2.7)
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	22,195	21,666	2.4
Central Office revenue	12,346	11,780	4.8
Total Ducts, Manholes and Central Office Revenue	34,541	33,446	3.3
Total Revenue	228,587	232,802	(1.8)

Revenue for the financial period was S\$228.6 million, 1.8% lower than forecast mainly due to lower installation-related revenue. This was partially offset by higher than forecast recurring Residential, Non-Residential and Segment Fibre connection revenue, Ducts & Manholes service revenue, Central Office revenue and Diversion revenue. The increase in Ducts & Manholes service revenue was due to increased cable length chargeable as a result of lead-in ducts purchased while higher Central Office revenue was mainly due to increase in service charges. Higher connection revenue was in line with more connections and higher other revenue was in line with completion of large diversion projects.

Total expenses for the financial period amounted to S\$186.3 million which was S\$8.7 million lower than forecast mainly due to lower operation and maintenance costs, staff costs, other operating expenses and finance costs. Operation and maintenance costs were S\$2.5 million less than forecast mainly due to lower operating needs and deferrals due to timing reasons but will be incurred in future periods. Other operating expenses were S\$2.4 million lower than forecast mainly due to deferred costs for IT maintenance. Staff costs were S\$3.3 million lower mainly due to lower salary costs as the actual average headcount for the period was lower as compared to forecast, and higher capitalisation of labour costs as more projects relating to the fibre spare capacity top-up were completed as compared to forecast. Finance costs was less than forecast due to lower debt drawdown than projected as a result of stronger operational cash flow and proceeds from the issuance of new units in connection with the exercise of the over-allotment option as part of the IPO.

The Trust Group achieved a Profit After Tax of S\$50.0 million for the financial period, which was 10.8% higher than Forecast mainly due to lower operating expenses and finance costs.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

OUTLOOK AND PROSPECT

16. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that affect the group in the next reporting period reported and the next 12 months

The Trust Group expects to deliver the distribution forecast as stated in the Prospectus for FY19. Though the Trust Group expects revenues from key connection services to meet the forecast for FY19, overall revenues may be affected by lower installation-related revenues.

The Trust Group has seen upward trend in percentage of orders that were able to meet the QoS timeframe this year, although the results still fell short of IMDA's standards. The Trust Group will continue to work closely with its key stakeholders to improve its QoS performance to meet regulatory service standards. The Trust Group has started to pre-lay fibre infrastructure to selected non-residential buildings to speed up service provisioning.

The Group is continuing to expand its network in new housing estates, with the most recent being Tengah. The first batch of HDB homes in Tengah is expected to be launched in 2018. In total an estimated 42,000¹ new residential homes in Tengah are expected to be developed over the next two decades. The Trust Group is monitoring the development of the 5G network in Singapore and will explore opportunities associated with the new technology.

The Trust Group has also been working proactively with the RLs to anticipate future demand in the Non-Residential and NBAP segments, and to support the RLs' efforts to acquire new corporate and NBAP customers. With its extensive nationwide fibre network, the Trust Group is well-positioned to support Smart Nation initiatives, the developments in Punggol Digital District and Jurong Innovation District and the fourth mobile telecommunication operator in its mobile network deployment.

¹Source: Housing & Development Board

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

INTERESTED PERSON TRANSACTION (“IPT”)

17. If Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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	Aggregate value of all IPTs during the financial period under review (excluding transactions of less than S\$100,0000)	
	Q4 1 January 2018 to 31 March 2018 S\$'000 (Unaudited)	FP 19 June 2017 to 31 March 2018 S\$'000 (Unaudited)
NetLink NBN Management Pte Ltd		
- Management Fees	225	632
- Reimbursement of expenses	52	295

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 at out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

19. **REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL UNITHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in the Trust or any of its subsidiaries is a relative of a director or chief executive officer or substantial unitholder of the Trust.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

**For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018**

The auditor's report on the full financial statements of NetLink NBN Trust for the financial period from 19 June 2017 to 31 March 2018 is as follows:

**“INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NETLINK NBN TRUST
For the financial period from 19 June 2017 to 31 March 2018**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements 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 March 2018, 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 financial period from 19 June 2017 (date of constitution) to 31 March 2018, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in Unitholders' funds of the Trust are properly drawn up in accordance with the provisions of the Business Trust Act, Chapter 31A of Singapore (the “Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2018, and of the consolidated financial performance, consolidated changes in Unitholders' funds and consolidated cash flows of the Group and changes in Unitholders' funds of the Trust for the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018

Key Audit Matters

Our audit performed and responses thereon

Purchase Price Allocation relating to the Acquisition of NetLink Trust

In July 2017, the Trust completed the acquisition of NetLink Trust ("NetLink") in conjunction of the Initial Public Offering of the Trust. FRS 103 *Business Combinations* requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill.

This requires a significant amount of management estimation, particularly in relation to the valuation of the plant, property and equipment ("PPE") and intangible asset acquired. The PPE, intangible asset and goodwill recognised amounted to \$3,110.6 million, \$96.0 million and \$746.9 million, respectively at the date of acquisition.

The Group's disclosure of the acquisition of NetLink is set out in Note 19 to the financial statements.

Goodwill Impairment Review

Under FRS 36 *Impairment of Assets*, the Group is required to test goodwill for impairment at least annually or earlier when there is indication of impairment. This assessment requires the exercise of significant judgement about future market conditions, including discount and long-term growth rates.

As at 31 March 2018, goodwill recorded on acquisition of NetLink amounted to \$746.9 million, constituting approximately 17% of the Group's total assets.

The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 19 to the financial statements.

We discussed with management and their external specialists on the purchase price allocation, and engaged our valuation specialists to assist in the audit of the purchase price allocation, including the valuation of PPE acquired, and the identification and valuation of intangible asset acquired.

Based on our procedures, we noted that the purchase price allocation has been performed in accordance with FRS 103 *Business Combinations*, including the disclosures thereon, and that the intangible asset identified is appropriate. We also noted management's key assumptions applied in the purchase price allocation in arriving at the fair value of the assets acquired and liabilities assumed to be within a reasonable range of our audit expectations.

We involved our valuation specialists to develop an independent view of the key assumptions driving the value-in-use calculation, in particular the discount and long-term growth rates, and comparing the independent expectations to those used by management.

We challenged the cash flow forecasts used by management, with comparison to recent performance and trend analysis.

We also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations, and the disclosures made in the financial statements are adequate and appropriate.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

**For The Financial Quarter ended 31 March 2018 and
Financial Period from 19 June 2017 to 31 March 2018**

Information other than the financial statements and auditor's report thereon

The Trustee-Manager is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the financial statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of the Trustee-Manager and Directors of the Trustee-Manager for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

NETLINK NBN TRUST AND ITS SUBSIDIARIES

For The Financial Quarter ended 31 March 2018 and Financial Period from 19 June 2017 to 31 March 2018

- Conclude on the appropriateness of Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager of the Trust have been properly kept in accordance with provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

14 May 2018"