NetLinkNBN
the fibre of a smart nation

EMPOWERING LIVES, CONNECTING A SMART NATION

Annual Report 2019

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For more information on NetLink NBN Trust, please visit www.netlinknbn.com

The joint issue managers of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and UBS AG, Singapore Branch. The joint underwriters of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., UBS AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited. The joint issue managers and joint underwriters of the initial public offering assume no responsibility for the contents of this Annual Report.

WHO WE ARE

NetLink NBN Trust's nationwide network is the foundation of Singapore's Next Generation Nationwide Broadband Network ("**Next Gen NBN**"), over which ultra-high-speed internet access is delivered throughout mainland Singapore and its connected islands.

NetLink NBN Trust and its subsidiaries ("**NetLink**") design, build, own and operate the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and Central Offices) of Singapore's Next Gen NBN. NetLink's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

NetLink NBN Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 19 July 2017. It is a constituent of the FTSE ST Large & Mid Cap Index, FTSE ST Singapore Shariah Index and the MSCI Global Small Cap – Singapore Index.

VISION

To be the leading telecommunications infrastructure provider in Singapore

MISSION

We connect consumers and businesses anywhere in Singapore to the nationwide fibre broadband network

We build strong and trusted partnerships with our industry operators to deliver reliable fibre connectivity to their customers

We provide open and equal access to all industry operators

We are committed to helping Singapore achieve its vision as a Smart Nation

CORE VALUES

Partnership – We measure our success by our partners'

Excellence – We relentlessly pursue quality and excellence

Integrity – We are fair, honest and accountable

Teamwork – We leverage individual strengths to work as one

Respect – We care for every employee


CONNECTING
you seamlessly and instantaneously.
Connectivity that's faster than a speeding bullet, faster than a blink of an eye.

No.1

Fastest average broadband speed globally[1]

88%

One of the highest residential fibre broadband penetration rate globally

[1] Speedtest Global Index by Ookla, November 2018.

EMPOWERING

businesses in the digital age. Enabling people to work smarter and faster through the power of connectivity.


100%
NetLink's fibre network has islandwide fibre coverage
Over
35%
of businesses are served by NetLink's fibre connections

ENHANCING

the quality of life through increased connectivity and pervasive reach. Building a Smart Nation that will keep Singapore connected at the speed of light.

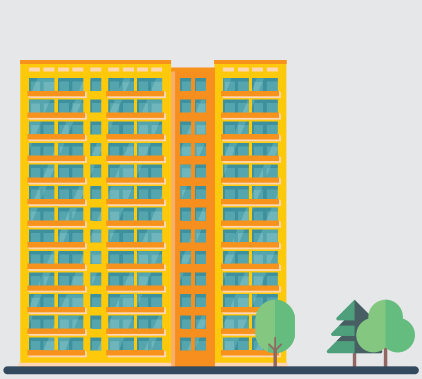
1,587

NBAP connections supporting deployment of Smart Nation sensors, WiFi hotspots and mobile base stations

93,000 km of fibre cable

Enhancing the lives of Singaporeans through building a pervasive fibre network

WHAT WE DO



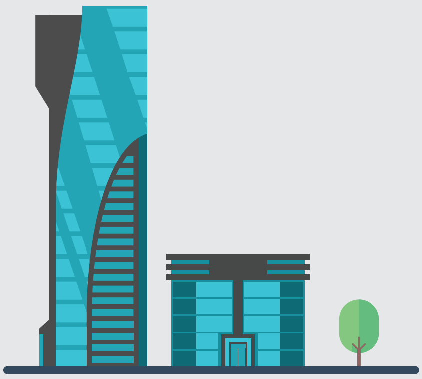
Residential

NetLink's network is used mainly for the purpose of end-user fibre connections, currently for broadband, internet-protocol TV and Voice over Internet Protocol services. It is the only fibre network with nationwide residential coverage in Singapore.

1,506,900
Homes Passed

1,381,100
Homes Reached

1,327,732
End-Users



Non-Residential

NetLink's network is used for the purpose of end-user fibre connections, to provide fibre services to non-residential end-users such as businesses, shopping malls, transport providers, government agencies, hospitals, and schools.

32,770
Buildings Reached

46,207
End-Users

Non-Building Address Point ("NBAP")

NBAP services include the connection to any location in mainland Singapore and its connected islands that does not have a physical address or assigned postal code, e.g. lamp posts, bus stops, multi-storey carparks and traffic lights. NBAP applications include infrastructure of telecommunications operators (such as wireless base stations), cameras, sensors, signages and outdoor kiosks.

1,587
NBAP connections throughout mainland Singapore and its connected islands

Information accurate as at 31 March 2019.

Other businesses

Ducts and Manholes

Provides, among others, Requesting Licensees with licences for the shared use of, and access to, building lead-in ducts and lead-in manholes.

Co-Location

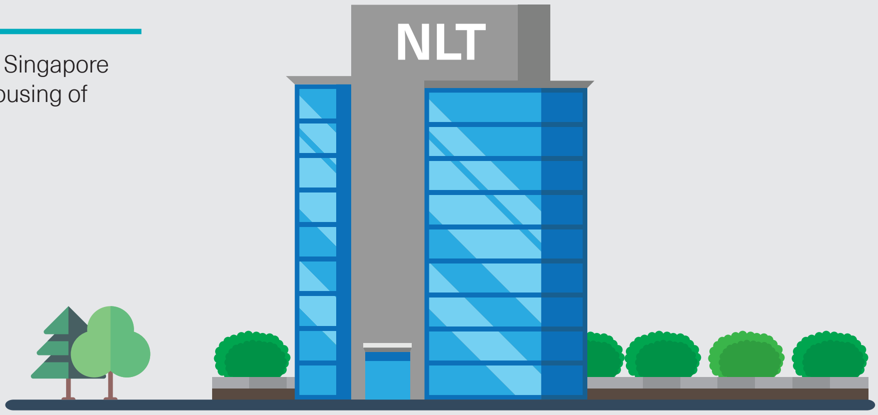
Provides space in co-location rooms within the Central Offices to Requesting Licensees, to host active network equipment, servers and other interconnecting equipment.

Segment Fibre

Provides dedicated point-to-point fibre connections which comprise Central Office to Central Office fibre connections and Central Office to main distribution frame room fibre connections, among others.

Central Offices

Leases space in NetLink's Central Offices to Singapore Telecommunication Limited ("Singtel") for housing of certain equipment and operations.



WHAT WE DO

The diagram provides an illustration of the Next Gen NBN industry structure in which NetLink operates

Consumer/End-users

Services

(including services and customer-premises equipment)

Retail Service Providers (RSPs)
Purchase bandwidth connectivity from OpCo(s) and compete with each other in providing competitive and innovative services to end-users

Active infrastructure

(including switches and routers)

Active Infrastructure Companies (OpCo)
Responsible for the design, build and operation of the Next Gen NBN's active infrastructure

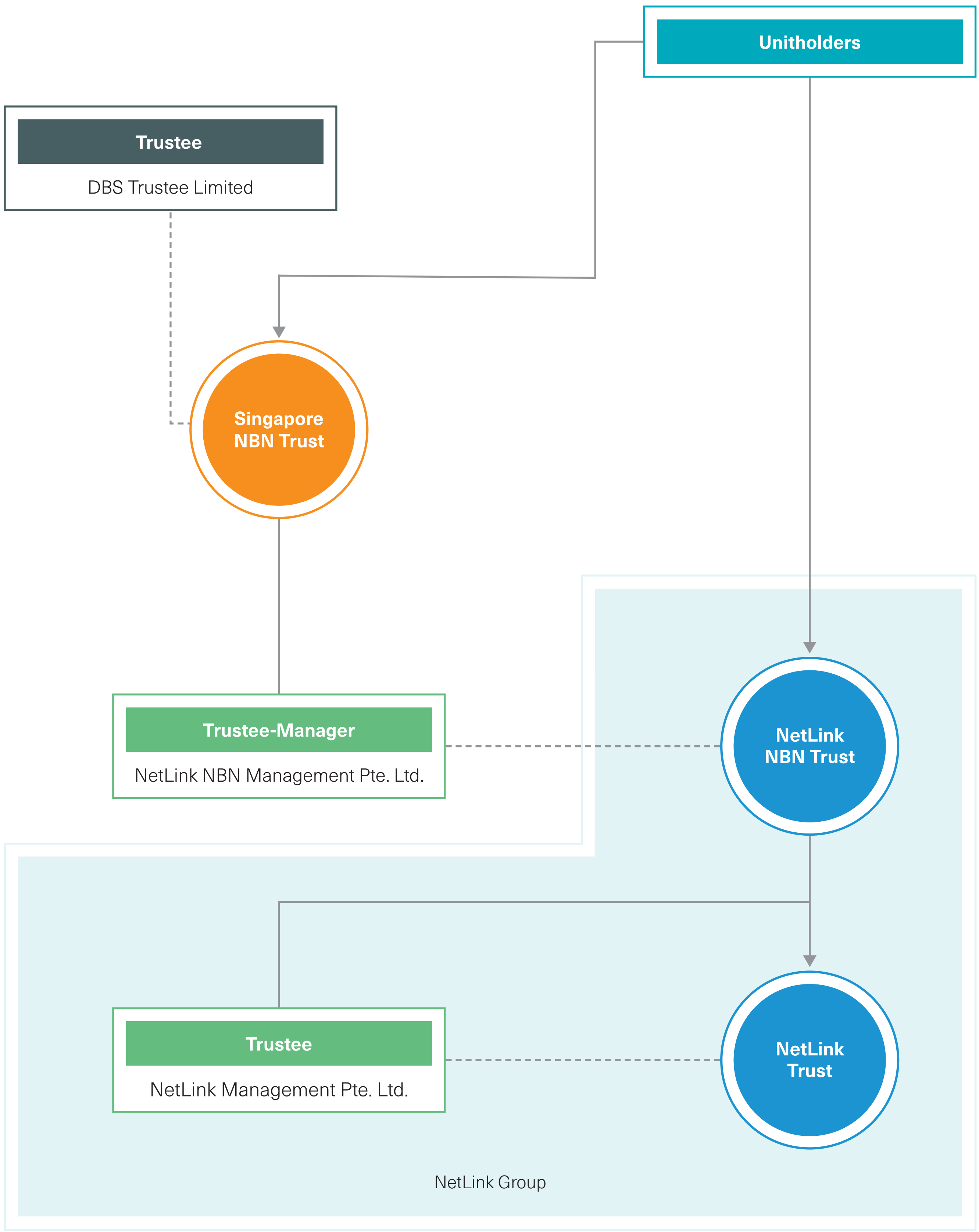
Passive Infrastructure

(including fibre cables, ducts and manholes)

NetLink
Passive Infrastructure Company (NetCo)

- Owns and deploys all the fibre optic cables and offers wholesale dark fibre services to Qualifying Persons, on a non-discriminatory basis
- Fulfils requests to install connectivity to homes, offices and buildings

OUR TRUST STRUCTURE



OUR PERFORMANCE AT A GLANCE

A TRANSPARENT AND RESILIENT REGULATED REVENUE STREAM

Revenue

S$353.6m

Distribution Per Unit

4.88 cents

EBITDA

S$247.9m

Gross Debt

S$636.0m

EBITDA Margin

70.1%

Net Assets per Unit[2]

77.7 cents

Profit After Tax

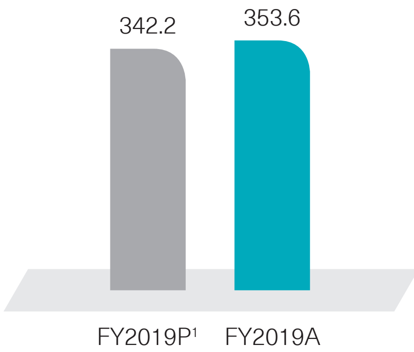
S$77.4m

Distribution Yield[3]

6.0%

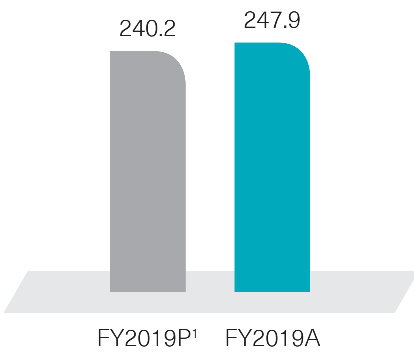
Revenue
(S$'m)

3.3%



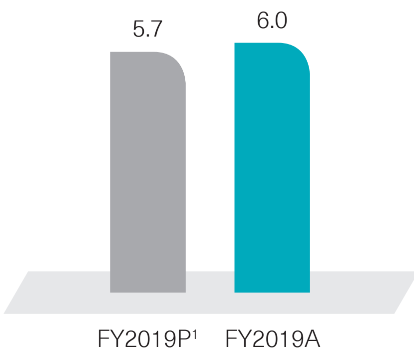
EBITDA
(S$'m)

3.2%



Distribution Yield[3]
(%)

5.2%



[1] Projection for the financial year ended 31 March 2019 refers to the full Projection Year 2019's projection as disclosed in the prospectus dated 10 July 2017 (the "Prospectus").
[2] Net assets per unit represents equity divided by total number of units 3,896,971,100.
[3] Distribution yields are based on assumptions set out in the IPO Prospectus and the IPO offering price of S$0.81 per unit.

	Group	
	FY2019 S$'000	FP2018[4] S$'000
Key Balance Sheet Items		
Total assets	4,281,801	4,377,050
Total liabilities	1,251,949	1,202,672
Total borrowings (gross)	636,000	591,000
Net assets	3,029,852	3,174,378
Cash Flow		
Net cash generated from operating activities	229,642	158,451
Net cash used in investing activities	(71,094)	(1,307,220)
Net cash (used in)/generated from financing activities	(176,376)	1,315,218
Change in cash	(17,828)	166,449
Key Financial Indicators		
Interest cover	13.5x	9.8x[5]
Gross debt/EBITDA	2.6x	2.5x[5]
Effective average interest rate	2.82%	2.62%

4 For the financial period from 19 June 2017 (date of constitution) to 31 March 2018. 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 NetLink NBN Trust was listed.

5 For FP2018, the ratios were calculated based on the trailing 12-month financials of NetLink Trust and its subsidiaries.

CHAIRMAN'S LETTER

Revenue
S$353.6m

EBITDA
S$247.9m

Distribution Per Unit
4.88 cents

Dear Unitholders,

On behalf of the Board of Directors and the Management of NetLink NBN Management Pte Ltd ("the **Trustee-Manager**"), I am delighted to present NetLink NBN Trust's Annual Report for the financial year ended 31 March 2019 ("**FY19**").

NetLink NBN Trust delivered a set of financials in FY19 which outperformed projections as disclosed in our initial public offering ("**IPO**") prospectus dated 10 July 2017. For the year under review, we declared S$190 million or 4.88 Singapore cents per unit for NetLink's distribution, which is 5.2% higher than the projected distribution per unit at IPO. This translates to a yield of approximately 6.0% based on the IPO unit price of 81 Singapore cents.

NetLink's financial performance is testament to the strength and resilience of our business model with transparent, predictable and regulated revenue streams.

10 Years of NBN

NetLink's unique investment proposition is based on its position as the appointed Network Company ("**NetCo**") to design, build, own and operate the passive fibre and non-fibre network infrastructure of the Next Generation Nationwide Broadband Network ("**Next Gen NBN**").

It has been 10 years since the start of the roll-out of the passive fibre network infrastructure of the Next Gen NBN in 2009, and more than five years since the Next Gen NBN achieved nationwide coverage with respect to residential homes and non-residential premises in 2013.

Today, NetLink plays a vital role in providing the underlying critical infrastructure that enables the delivery of ultra-high-speed internet access throughout Singapore and its connected islands. Singapore now has one of the highest wired broadband penetration in the world with about 88% of homes enjoying predominantly 1Gbps internet access via NetLink's fibre network.

With the Next Gen NBN delivering speeds of 1Gbps and beyond, Singaporeans have been empowered to do more with less over the past decade as they explored new possibilities to live, learn, work and play in the digital age. Downloading and uploading of huge media files can be completed much faster within minutes. Consumers and enterprises alike have benefitted from faster internet surfing

"NetLink's financial performance is testament to the strength and resilience of our business model with transparent, predictable and regulated revenue streams."

speeds on fibre broadband which enabled high-bandwidth applications such as high-quality video streaming and conferencing, interactive online gaming, multimedia online education and high-quality video conferencing.

From interactive IPTV, asset monitoring, remote learning and telehealth, the Next Gen NBN has and will continue to open up a whole new world of exciting opportunities for next-generation services for consumers as applications evolve to meet new emerging demands. NetLink is proud and privileged to have played a significant role in making all these achievements possible. We will continue to support Singapore's transformation journey to becoming a Smart Nation.

Industry Growth Drivers

With growing demand for connectivity driven by the rapid rise in data consumption, broadband access has become a necessity, not just within households but also for connectivity to indoor/outdoor sensors and devices. This will continue to fuel the demand for NetLink's fibre connections.

As the nationwide provider of residential fibre network in Singapore, NetLink continues to benefit from the drive by local telecommunications service providers to migrate older technologies such as Asymmetric Digital Subscriber Line ("**ADSL**") and Hybrid Fibre Coaxial ("**HFC**") connections to fibre in the near term.

As enterprises benefit from government initiatives and grants to promote improvement in productivity through digitalisation, we expect non-residential connections to continue to grow from our current market share of about 35% today. NetLink's extensive nationwide network coverage also allows access to non-residential end-users in a cost-efficient manner.

With our extensive nationwide fibre network, NetLink will continue to support the fourth mobile telecommunication operator in its mobile network deployment.

CHAIRMAN'S LETTER

In addition, the Singapore government has recently announced plans to start rolling out fifth-generation mobile network technology, or 5G, from 2020. We are monitoring the development of 5G network in Singapore closely and will explore business opportunities associated with this new market development. We believe NetLink is well-positioned to support the future deployment of 5G network. The use of our existing nationwide fibre infrastructure may also help speed up the deployment, save costs and reduce disruptions to consumers in Singapore.

Staying the Course: *Empowering Lives, Connecting a Smart Nation*

NetLink's long-term strategy is to build a network infrastructure that anticipates Singapore's growing needs, to be efficient in our operations and to increase our potential market size.

We firmly believe that fibre optic communication is the future of high speed data transmission and is the clear solution for Singapore's fast-growing bandwidth needs. Backed by our strong balance sheet, we will continue to invest in our network in the long-term to expand our reach and intensify the density of our coverage islandwide to ensure that our fibre network infrastructure is future-ready.

To this end, NetLink is committed to supporting Singapore's Smart Nation Programme. We aim to be a lead partner in the development of new fibre-based initiatives and to provide the fibre backbone to support various Smart Nation initiatives and applications. We plan to support the rising demand for outdoor sites or non-building address points ("**NBAP**") connections supporting mobile base stations, sensors, Wi-Fi hotspots and other outdoor infrastructure, which are key to enabling future smart applications such as autonomous vehicles, traffic management and weather data collections. With our extensive nationwide fibre network, we are confident that our ability to set up new NBAP connections anywhere in Singapore in an efficient and affordable manner will enable us to capture market share in this growing segment.

Corporate Governance

Corporate governance is central to long-term business sustainability and value creation. Our Board views good corporate governance as one of the key pillars supporting the foundation of our corporate vision – To be the leading telecommunications infrastructure provider in Singapore. Building on the foundations laid prior to our listing on the Singapore Exchange, we are committed to the highest corporate governance standards across our operations and business processes for the benefit of all our stakeholders.

We currently have a balanced and diverse Board comprising eight

Directors, of whom five are independent from Management and our substantial unitholder, Singtel. Two of the eight Directors are women. Our Directors come from different backgrounds, bringing with them many years of professional experience, a broad set of complementary skills, insights and perspectives from a variety of industries.

As a Board, we have set our collective focus on mapping the direction and goals for the Management team and monitoring the progress towards meeting these goals to ensure the long-term success of NetLink, and ultimately deliver sustainable growth and value to all our Unitholders.

Committing to Sustainable Practices

In FY19, we determined the material environmental, social and governance ("**ESG**") of NetLink. We have formed a Sustainability Steering Committee ("**SSC**") to monitor and manage the ESG risks and opportunities. As we continue to expand our business and network infrastructure, the Board together with the SSC will ensure that the sustainability efforts are aligned with the long-term strategy of the business. The Board is committed to leading NetLink in making progress in our sustainability performance to create long-term value for our stakeholders. I am pleased to report that we have now included a sustainability report into this Annual Report.

Appreciation

On behalf of the Board of Directors and Management, I would like to thank Mr Irving Tan (who has stepped down from our Board as he had relocated from Singapore to the United States to take on a global role with his company) for his invaluable contribution to NetLink, and welcome Miss Ku Xian Hong to the Board as our new Independent Non-Executive Director.

I would also like to take this opportunity to express my appreciation to my fellow Board members for their active participation in board deliberations and for their guidance, counsel and advice.

To the Management and our employees, thank you for your hard work, loyalty and dedication.

Finally, I would like to thank all our Unitholders, partners, and customers for your unwavering trust, confidence and support. With your support, we will work towards realising our ambition to play a key role in *Empowering Lives* and *Connecting a Smart Nation*.

Chaly Mah Chee Kheong
Chairman

CHIEF EXECUTIVE OFFICER'S LETTER

Dear Unitholders,

In 2018, NetLink celebrated its 10th year in the journey of building a nationwide broadband network since its appointment as the Network Company or NetCo for Singapore's Next Generation Nationwide Broadband Network. Over this period, NetLink has played a vital role in ensuring that every building in Singapore is connected to our network. In FY19, we have continued to expand our network, improve our operational performance and focus on meeting the financial projections in the IPO prospectus. I am happy to report that the NetLink has outperformed the financial projections. The NetLink stock has also been well-received by the investment community. The stock has seen a healthy level of interest and volume of trading on the stock exchange.

Operational and Financial Excellence

As at 31 March 2019, residential and non-residential end-user connections have increased to 1,327,732 and 46,207 respectively. The number of Non-Building Address Point ("**NBAP**") connections have also increased to 1,587 due mainly to the entrance of the fourth mobile operator. The increase in end-user connections contributed to the outperformance of our financial results against the projections set out in the IPO prospectus.

EBITDA and Profit After Tax outperformed projections set out in the IPO prospectus by 3.2% and 17.8% respectively. This is attributed mainly to higher residential connections revenue, diversion revenue and ducts and manholes service revenue. In addition, the higher EBITDA and Profit After Tax were contributed by lower finance costs, staff costs and other operating expenses offset by higher operation and maintenance costs and diversion costs, which were in line with the higher revenue. In terms of connection revenue, the residential and non-residential segments continued to be the main revenue contributors. Moving forward, we continue to expect residential fibre connections to grow closer to 100% penetration in the medium-term from about 88% today.

> "NetLink's extensive fibre network puts us in good stead to support Singapore's Smart Nation initiatives and applications by providing the fibre backbone."

The Group's balance sheet remained healthy, with a cash balance of S$148.6 million and a gross debt to EBITDA multiple of 2.6 times as at 31 March 2019.

In FY19, we undertook more operational initiatives to improve service delivery performance. Efforts made in the residential segment include: improving processes to handle service provisioning and adding resources and network capacity to manage more orders. In the non-residential segment, we continued to top-up fibre into buildings to meet anticipated demand and shorten service delivery time.

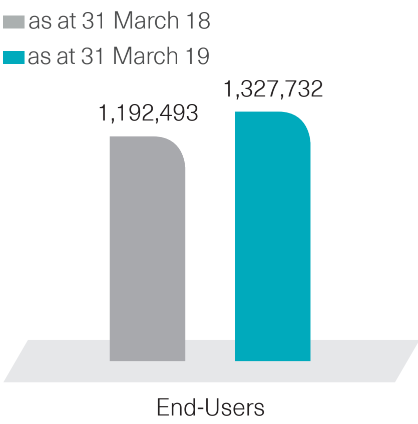
NetLink declared a distribution of 2.44 Singapore cents per unit for H2FY19, bringing total distribution to 4.88 Singapore cents per unit for FY19. This translated to a yield of approximately 6.0% based on the IPO price of 81 Singapore cents, 5.2% higher than the distribution guidance provided in the IPO prospectus.

Building a Smart Nation

NetLink's extensive fibre network puts us in good stead to support Singapore's Smart Nation initiatives and applications by providing the fibre backbone. We believe our success in the residential and non-residential segments can be replicated to the NBAP segment which requires fibre connections for both indoor and outdoor sites to support the deployment of mobile base stations, sensors, and Wi-Fi hotspots.

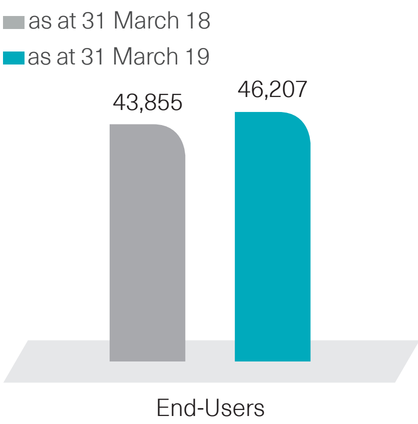
Residential Connections

↑ 11.3%



Non-Residential Connections

↑ 5.4%



CHIEF EXECUTIVE OFFICER'S LETTER

For greater connectivity and to be ready for future digital applications, we plan to build a denser fibre network in new housing estates such as Tengah and upcoming technology parks such as Punggol Digital District and the Jurong Innovation District. These estates are likely to utilise our fibre network more extensively. This layering of a denser fibre network upon our existing fibre infrastructure positions NetLink favourably as Singapore embarks on 5G rollout from 2020, as announced recently by Minister for Communications and Information, Mr S Iswaran.

NetLink will continue to make investments in network infrastructure to ensure long-term reliability, quality and availability of network so as to enhance its customer experience and meet anticipated demand. In this regard, we are also monitoring the development of the 5G mobile network in Singapore and how the use of our extensive fibre network could speed up the deployment of this new technology and at the same time bring about a cost-effective outcome for our customers.

Connecting with Investors

Since the listing in 2017, we have maintained an active investor relations programme as we believe that the success of NetLink is intertwined with the relations we build with investors. We continued to actively engage our investors regularly by participating in local and overseas conferences and non-deal roadshows on top of the regular quarterly results briefing to analysts. In addition, we have also stepped up efforts to reach out to more retail Unitholders through quarterly briefings to trading representatives of various broking houses. This was done with the aim of providing investors and trading representatives a better understanding of our business model and prospects.

We continue to believe in the resiliency and growth prospect of our business as there will be more upcoming opportunities associated with an increasing number of households, business enterprises, as well as the roll-out of Government initiatives to make Singapore a Smart Nation.

Engaging the Community, Empowering our Hearts

Even though we are a relatively young organisation, we believe in creating a positive impact in the community we operate in. In FY19, we worked with several charitable organisations to reach out to the elderly and children from less privileged homes. With the encouragement and participation from Senior Management, the number of volunteered man-hours increased from 333 hours last year to 879 hours this year. As further demonstration of our commitment to help Singaporeans prepare for the digital future, NetLink signed the IMDA Digital Participation Pledge on 5 December 2018. Going forward, we will continue our efforts in this area with the aim to make an even greater positive impact in our community.

A Note of Appreciation

Last but not least, my heartfelt thanks to our staff for their dedication and efforts that contributed to the good performance over the past year, and to our Unitholders for their continued support. Your unwavering confidence and commitment is crucial as we continue to *Empower Lives*, and as we work alongside the Government and telcos in *Connecting a Smart Nation*.

Tong Yew Heng
Chief Executive Officer

OPERATING REVIEW

As the bedrock of Singapore's Nationwide Broadband Network, NetLink has enabled the Nation to experience ultra-high-speed internet access at prices that are ranked highly competitive globally. The open and non-discriminatory access to our network, coupled with the pervasive reach of our passive infrastructure, has created opportunities for telecommunication service providers to grow their broadband and mobile businesses. End-users have benefitted because they can enjoy increased bandwidth from their service provider at a competitive and compelling price.

NetLink's business model as a telecommunication provider is unique in that we do not sell internet packages or broadband services. Instead, we design, build, own and operate the fibre cables, ducts, manholes and Central Offices that support these broadband services. NetLink offers fibre connections to telecommunication service providers who make use of them to offer various broadband and commercial packages to end-users.

Regulatory Environment

Under the Telecommunications Act, the Info-communications Media Development Authority ("**IMDA**") has the exclusive privilege for the operation and provision of telecommunication systems and services in Singapore. IMDA may grant licences to persons for, *inter alia*, the operation and provision of telecommunication systems and services that are within the exclusive privilege granted to IMDA under the Telecommunications Act. Licences may be granted subject to such conditions as IMDA may impose in its absolute discretion.

IMDA may also issue codes of practice, quality of service ("**QoS**") standards and regulations in respect of, *inter alia*, the provision and operation of telecommunication systems and services, and the carrying out of the purposes and provisions of the Telecommunications Act in general. Examples of such codes of practice, quality of service standards and regulations include the Telecom Competition Code, the NetCo Interconnection Code and the Quality of Service Standards on Service Provisioning Timeframe for Residential/ Non-Residential End-User Connections.

NetLink currently holds a Facilities-Based Operations ("**FBO**") licence to, *inter alia*, establish a nationwide fibre network, and to operate and maintain a system of ducts, manholes and Central Offices and to provide certain telecommunication services in connection therewith.

The FBO licence imposes a number of terms and conditions upon NetLink, including a Universal Service Obligation ("**USO**"). The USO is a fundamental licence obligation that requires us to provide mandated services without preference or discrimination to any qualifying person in Singapore who requests the provision of such services to any physical address or other location as may be reasonably requested. NetLink is required to pay an annual fee to IMDA which is determined by reference to NetLink's audited annual gross turnover.

In addition, IMDA has the authority to impose performance standards upon NetLink to ensure the integrity of the network, including standards with respect to the protection of physical assets and network resiliency, as well as to meet certain QoS standards with respect to its provision of residential and non-residential end-user connection services.

The failure to meet the obligations under the FBO licence, or any regulatory requirement imposed by IMDA (including QoS standards), may result in the imposition of financial penalties or other enforcement actions by IMDA.

Pricing

The provision of NetLink's principal services is subject to the terms and conditions of the FBO licence held by NetLink. These services include the mandated services set forth in the FBO licence, which have to be provided on pricing terms regulated by IMDA and prescribed in the Interconnection Offer ("**ICO**") and the Reference Access Offer ("**RAO**"). As a result, NetLink receives a transparent and predictable revenue stream. Under the ICO, with respect to each residential end-user connection, non-residential end-user connection and NBAP connection, we receive two primary revenue streams: (i) one-off installation and/or patching charges (as applicable) for each termination point (upon the initial connection) or service activation; and (ii) a monthly recurring connection charge.

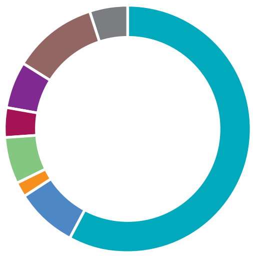
In addition, we also receive revenue for the provision of co-location space in Central Offices from Requesting Licensees ("**RL**") and from the provision of point to point connections, known as segment fibre connections, as part of the RLs' network connectivity. These revenues are not received from end-users but are paid under the ICO by RLs. Under the RAO, NetLink also receives revenue streams from RLs for accessing NetLink's lead-in ducts and manholes.

Under the NetCo Interconnection Code, IMDA has the right to review the terms (including pricing) under which services are provided pursuant to NetLink's ICO. IMDA will hold a review of pricing terms every five years following the last price review, or at any such time as IMDA may consider appropriate. IMDA also has the right to review the terms under which services are provided pursuant to NetLink's RAO, under the Telecom Competition Code.

The most recent price review by IMDA under the ICO and RAO was completed in May 2017. The revised prices are regulated using the Regulatory Asset Base ("**RAB**") model for the five-year period effective from January 2018. The RAB model allows us to recover the following cost components: (a) return of capital deployed (i.e. depreciation); (b) return on capital employed; and (c) operating expenditure.

Both IMDA and NetLink can exercise their discretion to propose to conduct a mid-term adjustment in the third year, in the event that there is any significant change in cost inputs or if any changes to cost or demand forecasts are required due to unforeseen circumstances.

FY19 Revenue contributions



Residential connections	58%
Non-residential connections	8%
NBAP and Segment connections	2%
Installation-related revenue	6%
Diversion revenue	4%
Co-location and Other revenue	6%
Ducts and manholes service revenue	11%
Central Office revenue	5%

OPERATING REVIEW

How did we do in FY19?
At IPO, we provided a two-year performance forecast and Management has continued to use that as the benchmark to track the financial performance of NetLink. We are happy to report that we have met our overall IPO revenue, EBITDA and profit projections.

Residential Connection

In terms of connection numbers, we had provisioned 1,327,732 residential end-user connections as at 31 March 2019. The residential end-user connection numbers represents a healthy 11.3% growth year-on-year. Part of the reason can be attributed to more end-users that are on other broadband transmission mediums such as copper and co-axial cable migrating to a fibre platform. This migration trend will continue in FY20.

Non-Residential Connection

As at 31 March 2019, we had provisioned 46,207 non-residential end-user connections. The growth of NetLink's non-residential end-user connection in FY19 is approximately 5.4% year-on-year.

The non-residential segment is a competitive segment where RLs have the option to use their own fibre network.

Non-Building Address Point ("NBAP") Connection

We use NBAP connections to support telecommunication service providers' outdoor connectivity requirements such as surveillance cameras and wireless mobile base stations. The number of NBAP connections grew steadily from 31 March 2018 to reach 1,587 connections as at 31 March 2019, a year-on-year growth of 90%. This was mainly driven by one of our customers' requirement to have full outdoor mobile coverage by December 2018.

Improving our Quality of Service

The QoS standards set by IMDA continue to be an area that we are constantly focused on achieving.

The time that we take to complete the service provisioning process for activating a fibre depends on a number of factors, including whether the residential home has a termination point installed, whether the request is the first or second connection and whether the residential home is in a high-rise building or is a landed property. For non-residential connections, this includes factors such as getting the building management's prompt approval for works, whether there is sufficient space within the telecom riser, and whether there are strict guidelines on working hours, amongst others. Suffice to say, while there are various challenges, we are committed to overcome them and will invest in the necessary resources to achieve the QoS standards.

Over the past three years, we had implemented various initiatives such as the roll-out of additional fibre capacity to residential homes across our nationwide network, the pre-laying of fibre infrastructure to non-residential buildings to speed up service provisioning as well as the constant enhancement of work processes to improve our QoS performance.

As a result of these proactive efforts and in spite of the constant on-the-ground challenges, we were able to achieve appreciable improvements to the service provisioning timeframe for fibre services to residential and non-residential premises, bringing NetLink closer to meeting the QoS standards.

In line with the improved performance, IMDA had imposed lower financial penalties on NetLink for its inability to meet the QoS standards. Last year, IMDA imposed a financial penalty of S$50,000 on NetLink for not meeting the residential QoS standards for the 12-month period between July 2017 and June 2018, compared to a financial penalty of S$100,000 levied a year ago. For the non-residential sector, IMDA imposed a financial penalty of S$20,000 on NetLink for not meeting the non-residential QoS standard for the 12-month period from April 2017 to March 2018, against a financial penalty of S$50,000 for a 15-month period assessment a year ago. The financial penalties did not have any material impact on the net tangible asset per unit and distribution per unit of NetLink NBN Trust for the financial year ended 31 March 2019.

OPERATING REVIEW

Value Creation In FY19

Some of the key stakeholders of NetLink includes:

- **01 ▶ Government and regulators**
- **02 ▶ Telecommunication service providers who are our customers**
- **03 ▶ Employees, our talent pool**
- **04 ▶ Community, the people whom we serve and the area we operate in**
- **05 ▶ Investors who see value in our business model**

Below are some notable value creation initiatives and achievements in FY19.

Stakeholders	How we create value	Value created in FY19
Government and regulators	- Having a comprehensive Enterprise Risk Management programme and a robust Business Continuity Management programme - Committed to maintaining high standards of Corporate Governance - Continuous effort to achieve QoS compliance	- ISO 22301:2012 certification - BS OHSAS 18001:2007 certification - Attained bizSAFE Star - Overall QoS performance has improved albeit failing in some standards. The amount of financial penalties have also been significantly reduced
Telecommunication service providers	- Non-discriminatory access to all qualifying persons - Continue to fulfil our obligation to lay fibre to every home and building so that service providers can provide services quickly and efficiently - Ensure that there are sufficient spare fibres to keep down-time to a minimum	- 24,189 home-passed added - 9,000 km of fibre cable added
Employees	- Employee engagement survey was carried out to seek feedback from employees - Management acted upon the results to improve the sustainable engagement with employees - Introduced learning week to encourage employees to learn a new skill or gain new knowledge - Provide opportunities for our employees to be involved in company-organised events to help the less privileged and contribute back to society	- 11,095 hours of training - Inaugural NetLink Trust Learning Week saw 218 staff participating in at least one training session, clocking in a total of 671 hours
Community	- Helping the less-privileged - Making fibre connectivity readily available	- 879 volunteer hours, 5 corporate social responsibility events - Sponsorship in the home-access programme to increase fibre broadband usage in underprivileged households
Investors	- Committed to uphold high standards of transparency and accountability to Unitholders. - Continued to engage investors through conferences, non-deal roadshows, quarterly briefings and 1-on-1 meetings to keep them up to date with business operations - Managing cashflows efficiently to be able to deliver sustainable growth in distributions	- Average daily trading volume of 5.7 million units - 5.2% increase in distribution against projected DPU

Outlook in FY20

As Singapore seeks to maintain its competitive edge in connectivity, the Government has announced its plan for deployment of 5G mobile network and services from 2020. We are monitoring this development and will explore business opportunities associated with the new technology. We believe we are well-positioned to support the future deployment of 5G network and support Singapore's Smart Nation initiatives and applications, given our extensive nationwide fibre network. The use of our existing fibre infrastructure may also help speed up the deployment, save costs and reduce disruptions to consumers in Singapore. We believe our success in the residential and non-residential segments can be replicated to outdoor sites or NBAP connections.

We currently have more than 1,500 NBAP connections islandwide supporting mobile base stations, sensors, Wi-Fi hotspots and other outdoor infrastructure.

We are stepping up efforts to coordinate with our telecoms customers to improve speed of deployment while minimising disruptions to road users and businesses. We are also building a denser network in new housing estates such as Tengah and upcoming high tech parks and districts such as Punggol Digital District and Jurong Innovation District. By doing so, we are also looking to reduce the "last-mile" distance between our manholes and outdoor sites.

Our long-term strategy is to build a network infrastructure that anticipates Singapore's growing needs, to be efficient in our operations and to increase our potential market size.

We will continue to create value for our stakeholders and will focus on delivering growth through sustainable distributions.

FINANCIAL REVIEW

REVENUE

	Group		
	Financial Year ended 31 March 2019		
	Actual S$'000	Projection[1] S$'000	Variance %
Fibre business revenue:			
Residential connections	206,768	203,556	1.6
Non-residential connections	29,962	29,390	1.9
NBAP and Segment connections	6,909	6,304	9.6
Installation-related revenue	21,412	29,833	(28.2)
Diversion revenue	13,507	3,200	N.M.
Co-location and Other revenue	20,155	21,786	(7.5)
Total Fibre Business Revenue	**298,713**	**294,069**	**1.6**
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	37,376	31,068	20.3
Central Office revenue	17,491	17,077	2.4
Total Ducts, Manholes and Central Office Revenue	**54,867**	**48,145**	**14.0**
Total Revenue	**353,580**	**342,214**	**3.3**

Revenue of S$353.6 million for the financial year ended 31 March 2019 was 3.3% higher than the projection mainly due to higher residential connections revenue, diversion revenue, and ducts and manholes service revenue. This was partially offset by the lower than projected installation-related revenue. For FY19, revenue from residential connections and non-residential connections, which together accounted for approximately 67.0% of the total revenue, have performed well and were 1.6% and 1.9% above projection respectively. Residential connections revenue increased by S$3.2 million due to the higher number of connections of 1,327,732 achieved as at 31 March 2019 as compared to projection of 1,278,260. The increase in diversion revenue of S$10.3 million was due to the recognition of revenue from completed projects mainly for government agencies. The higher ducts and manholes service revenue of S$6.3 million was mainly due to recovery of costs for ducts and manholes joint-build projects. The lower installation revenue of S$8.4 million was mainly due to: (a) some RLs undertaking the installation on their own for NBAP & Non-residential connections supplied by NetLink and (b) the deferral of revenue from service activation charges (which came into effect on 1 January 2018) due to service obligations that have yet to be performed.

N.M. = Not meaningful

[1] Projection for the financial year ended 31 March 2019 refers to the full Projection Year 2019's projection as disclosed in the Prospectus dated 10 July 2017.

EXPENSES

	Group Financial Year ended 31 March 2019		
	Actual S$'000	Projection[1] S$'000	Variance %
Operations and maintenance costs	(20,834)	(17,564)	18.6
Installation costs	(14,376)	(15,314)	(6.1)
Diversion costs	(9,152)	(2,400)	281.3
Depreciation and amortisation	(160,792)	(163,460)	(1.6)
Staff costs	(24,229)	(25,603)	(5.4)
Finance costs	(19,126)	(21,262)	(10.0)
Management fee	(982)	(967)	1.6
Other operating expenses	(37,797)	(40,188)	(5.9)
Total Expenses	**(287,288)**	**(286,758)**	**0.2**

Total expenses for the financial year ended 31 March 2019 of S$287.3 million was S$0.5 million higher than projection mainly due to higher operation and maintenance costs and diversion costs, which were in line with the higher revenue. All other expenses comprising mainly installation costs, depreciation and amortisation expenses, staff costs, finance costs and other operating expenses were lower than projected. Installation costs were S$0.9 million lower, in line with lower installation revenue. Depreciation and amortisation expenses were S$2.7 million lower following the finalisation of purchase price allocation for the acquisition of NetLink at IPO. Staff costs for the financial year ended 31 March 2019 were S$1.4 million lower mainly due to lower salary costs as the actual average headcount was lower as compared to the projection. Finance costs were less than projection by S$2.1 million due to lower debt drawdown as a result of stronger operational cash flow. Other operating expenses were S$2.4 million lower mainly due to lower IT maintenance costs and professional fees.

NET PROFIT AFTER TAX

	Group Financial Year ended 31 March 2019		
	Actual S$'000	Projection[1] S$'000	Variance %
Net profit after tax	77,359	65,689	17.8
Net profit after tax margin	21.9%	19.2%	*2.7pp*

Net profit after tax at S$77.4 million for the financial year ended 31 March 2019 was 17.8% higher than projection and net profit after tax margin was 21.9% of revenue. In addition to higher revenue for the year, higher net profit after tax was contributed by lower finance costs, staff costs and other operating expenses offset by higher operation and maintenance costs and diversion costs, which were in line with the higher revenue.

[1] Please refer to Note 1 on page 28.

FINANCIAL REVIEW

EBITDA

	Group		
	Financial Year ended 31 March 2019		
	Actual S$'000	Projection[1] S$'000	Variance %
EBITDA[2]	247,876	240,178	3.2
EBITDA margin	70.1%	70.2%	*(0.1pp)*

EBITDA was higher than projection by S$7.7 million or 3.2%. In addition to higher revenue for the year, the higher EBITDA was contributed by lower staff costs and other operating expenses offset by higher operation and maintenance costs and diversion costs. The EBITDA margin achieved was 70.1%, which was in line with the projection.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure incurred for the financial year ended 31 March 2019 was S$71.1 million and capital commitment as at 31 March 2019 stood at S$38.8 million.

NetLink is required by IMDA to set aside monies for at least 20% of capital expenditure reserve fund per year cumulating to S$40 million over the five-year period from 1 January 2018 to 31 December 2022, to meet regulatory requirements from IMDA or for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink's network infrastructure. On a quarterly basis, NetLink will set aside additional funds in the capital expenditure reserve on a pro-rata basis computed based on the yearly requirement of S$8 million. As at 31 March 2019, NetLink has set aside S$10 million for the Capex Reserve.

LIQUIDITY AND CAPITAL RESOURCES

	Group
	Financial Year ended 31 March 2019
	Actual S$'000
Profit before income tax	69,750
Non-cash item and net interest expense adjustments	157,589
Net change in working capital	2,303
Net cash generated from operating activities	229,642
Net cash used in investing activities	(71,094)
Net cash used in financing activities	(176,376)
Net change in cash and cash equivalents	(17,828)
Cash and cash equivalents at beginning of financial year	166,449
Cash and cash equivalents at end of financial year	148,621
Cash and cash equivalents consist of:	
Cash and bank balances	138,621
Capital expenditure reserve fund	10,000
Cash and cash equivalents at end of financial year	148,621

[1] Please refer to Note 1 on page 28.
[2] EBITDA is a non-SFRS(I) financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense.

FINANCIAL LEVERAGE

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

Maturity	Terms	As at 31 March 2019 S$'000 (Utilised)
March 2021	S$510 million Five-Year Term Loan	510,000
March 2021	S$90 million Five-Year RCF	-
June 2020	S$210 million Three-Year RCF	126,000
		636,000

For the financial year ended 31 March 2019, the Group had borrowings drawn of S$636.0 million and undrawn facilities of S$174.0 million. During the year, S$45.0 million was drawn down to fund capital expenditure and the effective average interest rate for the financial year was 2.82% per annum.

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group 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$636.0 million over the period of the bank loan. Accordingly, interest from 100% of the Group's existing bank loans has been hedged.

As at 31 March 2019, gross debt/EBITDA ratio was 2.6 times. Interest coverage ratio (EBITDA/Interest) was 13.5 times.

NET ASSET VALUE

The net asset value per unit based on issued units as at 31 March 2019 was 77.7 Singapore cents.

BOARD OF DIRECTORS

From left to right

Mr Chaly Mah Chee Kheong
Chairman of the Board

Mr Eric Ang Teik Lim

Ms Koh Kah Sek

Mr Yeo Wico

Mr Chaly Mah Chee Kheong
Chairman of the Board

Non-Executive and Independent Director of the Trustee-Manager
Chairman of the Remuneration Committee
Member of the Nominating Committee
Member of the Risk and Regulatory Committee

Date of First Appointment as a Director:
21 February 2017

Date of Appointment as Chairman:
19 April 2017

Date of Last Re-election as a Director:
25 July 2018

Mr Mah is currently the Chairman of Singapore Tourism Board and the Singapore Accountancy Commission. He is a member of the Board of Trustees of the National University of Singapore and serves on the boards of the Monetary Authority of Singapore, the Singapore Economic Development Board, CapitaLand Limited and Flipkart Private Limited. Prior to this Mr Mah was with Deloitte for over 38 years. He retired in 2016 as the CEO of Deloitte Southeast Asia and Chairman of Deloitte Singapore. He was the CEO of Deloitte Asia Pacific and member of the Deloitte Global Executive from 2007 to 2015 and the Vice Chairman of Deloitte Global Board from 2015 to 2016.

Mr Mah graduated with a Bachelor of Commerce degree from the University of Melbourne and qualified as a chartered accountant with the Institute of Chartered Accountants in Australia. He is also a fellow member of the Institute of Singapore Chartered Accountants, CPA Australia and The Association of Chartered Certified Accountants in the United Kingdom.

Present directorships in other listed companies:
- CapitaLand Limited

Other principal commitments:
- Chairman, Singapore Tourism Board
- Chairman, Singapore Accountancy Commission
- Board Member, Monetary Authority of Singapore
- Board Member, Singapore Economic Development Board
- Member of the Board of Trustees, National University of Singapore
- Board Member, Flipkart Private Limited

Mr Eric Ang Teik Lim

Non-Executive and Independent Director of the Trustee-Manager
Chairman of the Nominating Committee
Member of the Audit Committee
Member of the Remuneration Committee

Date of First Appointment as a Director:
24 March 2017

Date of Last Re-election as a Director:
Not Applicable

Mr Ang brings with him 40 years of experience in the banking industry. He has been with DBS Bank Ltd. since 1978 and is currently the Senior Executive Advisor. He also sits on the boards of Sembcorp Marine Limited, Raffles Medical Group, Changi Airport Group, Surbana Jurong Pte Ltd and DBS Foundation. He was previously a director of Hwang Capital (Malaysia) Bhd.

Mr Ang graduated with a Bachelor of Business Administration (Honours) degree from the University of Singapore (now known as the National University of Singapore).

Present directorships in other listed companies:
- Sembcorp Marine Limited
- Raffles Medical Group

Other principal commitments:
- Senior Executive Advisor, DBS Bank Ltd.
- Director, Changi Airport Group
- Director, Surbana Jurong Pte Ltd

Ms Koh Kah Sek

Non-Executive and Independent Director of the Trustee-Manager
Chairman of the Audit Committee

Date of First Appointment as a Director:
21 February 2017

Date of Last Re-election as a Director:
25 July 2018

Ms Koh is the Executive Director and Chief Financial Officer ("CFO") of Far East Organization ("FEO"), where she is responsible for FEO's financial affairs, including corporate finance, treasury, overseas investments, risk management and capital management. She is also a board member and a member of the Remuneration Committee of Far East Orchard Limited.

Prior to joining FEO, Ms Koh worked in Singapore Telecommunications Limited ("SingTel") from 2005 to 2011. In SingTel, she held various senior management positions, such as the Group Financial Controller, CFO of Singapore Business and Group Treasurer. Ms Koh previously served as a board member of public listed companies including Globe Telecom, Inc. and Advanced Info Service Public Company Limited. Prior to joining SingTel, Ms Koh began her career with PriceWaterhouse and thereafter she worked at a leading global investment bank before she held a senior management role in a public listed F&B company in Singapore.

Ms Koh graduated with a Bachelor of Commerce from the University of Melbourne and is a member of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.

Present directorships in other listed companies:
- Far East Orchard Limited

Other principal commitments:
- Executive Director and Chief Financial Officer, Far East Organization
- Vice President, National Council of Girl Guides Singapore
- Divisional Councillor of CPA Australia (Singapore Division)
- Chair, CPA Australia CFO Committee

Mr Yeo Wico

Non-Executive and Independent Director of the Trustee-Manager
Member of the Audit Committee

Date of First Appointment as a Director:
21 February 2017

Date of Last Re-election as a Director:
Not Applicable

Mr Yeo is currently a partner of Allen & Gledhill LLP, a Singapore law firm. He has been in legal practice in Singapore as an Advocate and Solicitor of the Supreme Court of Singapore since 1992. In addition, Mr Yeo was admitted as a non-practising solicitor of England and Wales and as an attorney and Counselor-at-Law in the State of New York. He has been appointed by the Minister for Finance as a member of the Accounting Standards Council. He also serves as the independent non-executive chairman and director of Vicplas International Ltd. He was previously an independent non-executive director of CitySpring Infrastructure Management Pte. Ltd., the then trustee-manager of CitySpring Infrastructure Trust (now known as Keppel Infrastructure Trust) and a non-executive director of SP Services Limited (a wholly-owned subsidiary of Singapore Power Limited).

Mr Yeo graduated from the National University of Singapore in 1991 and holds a LLB (Hons) degree.

Present directorships in other listed companies:
- Vicplas International Ltd.

Other principal commitments:
- Partner, Allen & Gledhill LLP

BOARD OF DIRECTORS

From left to right

Ms Ku Xian Hong
Mr Arthur Lang Tao Yih
Mr Slattery Sean Patrick
Mr Tong Yew Heng

Ms Ku Xian Hong

Non-Executive and Independent Director of the Trustee-Manager
Member of the Risk and Regulatory Committee

Date of First Appointment as a Director:
1 October 2018

Date of Last Re-election as a Director:
Not Applicable

Ms Ku is currently a Council Member of the Singapore Cancer Society. She sits on the Board of Anyhealth Company Limited, a company in China focused on providing business-to-business (B2B) and business-to-consumer (B2C) healthcare mobile solutions. She also serves on the Board and working committees of a number of non-profit organisations and in the editorial committee of the series of Corporate Governance Guides published by the Singapore Institute of Directors.

Ms Ku was Managing Director in Accenture Singapore before retiring in November 2013. She assumed multiple leadership roles over her 27-year career at Accenture and spent several years in China, Hong Kong and Taiwan establishing the Greater China Change Management practice to help clients transform their workforce.

Ms Ku holds a Bachelor of Science degree from the National University of Singapore and a Master of Business Administration (with Distinction) from DePaul University, Chicago.

Present directorships in other listed companies:
Nil

Other principal commitments:
- Council Member of the Singapore Cancer Society

Mr Arthur Lang Tao Yih

Non-Executive and Non-Independent Director of the Trustee-Manager
Member of the Nominating Committee
Member of the Remuneration Committee

Date of First Appointment as a Director:
21 February 2017

Date of Last Re-election as a Director:
25 July 2018

Mr Lang is currently the CEO International of Singapore Telecommunications Limited ("Singtel") having responsibility over the holdings that Singtel has in its overseas associates. Mr Lang is also spearheading the regional mobile financial services and the e-gaming initiatives for the Singtel Group.

Mr Lang was previously the Group CFO of CapitaLand Limited from 2011 to 2016. Prior to this, he was an investment banker at Morgan Stanley Asia having held positions as Co-Head of Southeast Asia Investment Banking and Chief Operating Officer for the Asia Pacific Investment Banking Division. He is also a director of Globe Telecom, Inc., Bharti Infratel Limited and Airtel Africa Limited. Mr Lang was previously on the boards of CapitaLand Commercial Trust Management Limited and CapitaLand Mall Trust Management Limited, the managers of CapitaLand Commercial Trust and CapitaLand Mall Trust, respectively. He was previously also a director of Tiger Airways Holdings Limited.

Mr Lang holds a Bachelor of Arts (magna cum laude) from Harvard University and a Master of Business Administration from Harvard Business School.

Present directorships in other listed companies:
- Globe Telecom, Inc.
- Bharti Infratel Limited

Other principal commitments:
- CEO International, Singapore Telecommunications Limited
- Board Member, Land Transport Authority
- Board Member, The Straits Times School Pocket Money Fund
- Director, National Kidney Foundation
- Board Member, Airtel Africa Limited

Mr Slattery Sean Patrick

Non-Executive and Non-Independent Director of the Trustee-Manager
Chairman of the Risk and Regulatory Committee

Date of First Appointment as a Director:
28 April 2017

Date of Last Re-election as a Director:
Not Applicable

Mr Slattery is currently the Vice President (Regulatory & Interconnect) at Singapore Telecommunications Limited ("Singtel") and is responsible for, among others, managing regulatory and interconnect matters for Singtel. He joined Singtel in 1998, and has been involved in regulatory and network interconnection matters. Prior to joining Singtel, Mr Slattery was with Optus Communications Pte. Ltd. from 1993 to 1998. He was also a director of CityNet Infrastructure Management Pte. Ltd., the then trustee-manager of NetLink Trust, from 2011 to 2017.

Mr Slattery holds a Bachelor of Economics degree from the University of Sydney in Australia and has been qualified as a certified practising accountant with CPA Australia since 1996.

Present directorships in other listed companies:
Nil

Other principal commitments:
- Vice President (Regulatory & Interconnect), Singapore Telecommunications Limited

Mr Tong Yew Heng

Executive and Non-Independent Director of the Trustee-Manager
Chief Executive Officer of the Trust Group

Date of First Appointment as a Director:
21 February 2017

Date of Last Re-election as a Director:
Not Applicable

Mr Tong has been the CEO of NetLink Trust ("NLT") since January 2016. In this role, he is responsible for the overall leadership and performance of NLT. Mr Tong brings with him more than 20 years of experience from senior management positions in various industries. Prior to joining NLT, Mr Tong was Executive Vice President, Corporate & Market Development, of Singapore Technologies Electronics Limited. Before that, he was CEO of CitySpring Infrastructure Trust.

Mr Tong graduated with a Bachelor of Engineering (Honours) degree from the University of Strathclyde in the United Kingdom and holds a Master of Business Administration degree from Nanyang Technological University. He also attended the Programme for Executive Development at the International Institute of Management Development, Switzerland and is a member of the Institute of Singapore Chartered Accountants.

Present directorships in other listed companies:
Nil

Other principal commitments:
Nil

SENIOR MANAGEMENT

Ensuring efficiency and transparency through the operation of a professional and rational decision-making structure.

MR TONG YEW HENG
Chief Executive Officer

MR CHYE HOON PIN
Chief Operating Officer

MR WONG HEIN JEE (LESTER)
Chief Financial Officer

MR WEE KEE CHOR
Director, Facilities and Co-Location

MR MELVIN CHAN
Director, Engineering Planning

MR ANG SOO PIANG
Director, Operations, Implementation and Maintenance

MR TIONG ONN SENG
Director, Service Provisioning

MS ALICE LIM
Director, Human Resource and Administration

MR LEE KHOON AIK
Director, Regulatory and Interconnect

MR VICTOR CHAN
Director, Corporate Planning and Communications

MR WIDJAJA SUKI
Director, Products, Business Development and Process

MR KELVIN CHIA
Director, Treasury and Financial Planning

MR GARRY NG
Director, Information Technology

MR LIM KE XIU
Counsel, Legal and Secretariat

MS CHRISTINE YEO
Financial Controller

CORPORATE GOVERNANCE

Introduction

NetLink NBN Trust (also referred to as the "**Trust**") is a trust constituted on 19 June 2017 by a declaration of trust by NetLink NBN Management Pte. Ltd., as trustee-manager of NetLink NBN Trust (the "**Trustee-Manager**"), under the trust deed dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) (collectively, the "**Trust Deed**"). NetLink NBN Trust is registered as a business trust under the Business Trusts Act, Chapter 31A of Singapore, and was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 19 July 2017.

The Trustee-Manager is incorporated in Singapore, and the management of NetLink NBN Trust is undertaken by the Trustee-Manager, the shares of which are held on trust for the benefit of the unitholders of NetLink NBN Trust (the "**Unitholders**") in proportion to such Unitholders' respective percentage of units held or owned in NetLink NBN Trust (the "**Units**").

Code of Corporate Governance

Rule 710 of the listing rules of SGX-ST (the "**Listing Rules**") was amended on 1 January 2019 to provide that an issuer must describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the "**2018 Code**"):

(a) an issuer must comply with the principles of the 2018 Code; and

(b) where an issuer's practices vary from any provisions of the 2018 Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle (the "**Amended Rule 710**").

The Transitional Practice Note 3: Transitional Arrangements Regarding Code of Corporate Governance 2018 issued by the SGX-ST on 28 November 2018 ("**Transitional Practice Note**") clarifies that the Amended Rule 710 only applies in relation to annual reports covering the financial years commencing from 1 January 2019, but an issuer may elect to adopt the Amended Rule 710 early.

The board of directors and management team of the Trustee-Manager are fully committed to maintaining high standards of corporate governance, and firmly believe that good corporate governance is essential to protecting the best interests of Unitholders and maintaining the sustainability of the business of NetLink NBN Trust and its subsidiaries (referred to collectively as "**NetLink Group**"). Hence, in accordance with the Transitional Practice Note, the Trustee-Manager has elected to adopt the Amended Rule 710 in advance and enhanced its corporate governance policies and practices to align with the 2018 Code and has described its corporate governance practices with specific references to the principles and provisions of the 2018 Code, and not the Code of Corporate Governance 2012.

The Trustee-Manager has complied with the principles of the 2018 Code and largely complied with the provisions of the 2018 Code, and where there is a variation from any provisions of the 2018 Code, appropriate explanations have been provided on the reason for such variations and how the existing practices adopted are consistent with the intent, aim and philosophy of the relevant principles of the 2018 Code. The Trustee-Manager also ensures that all applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), the Listing Rules, and the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**"), including the relevant regulations thereunder, are duly complied with.

This report describes the Trustee-Manager's main corporate governance policies and practices with specific reference to the 2018 Code, and should be read in totality with the other sections of this Annual Report which are cross-referred.

SECTION (A): BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1:
Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The board of directors of the Trustee-Manager (the "**Board**") is responsible for the overall management and the corporate governance of NetLink NBN Trust – including setting the direction and goals for the Trustee-Manager's management team (the "**Management**"), monitoring the achievement of these goals and holding Management accountable for its performance. The Board seeks to align the interests of NetLink NBN Trust with that of Unitholders, and to balance the interests of other stakeholders.

The Board is collectively responsible for the long-term success of NetLink NBN Trust and its value creation, and exercises close oversight over key areas in corporate governance, strategy, finance, risk management and internal controls, and human resources. For example, the NetLink Group has in place an employee's Code of Conduct which sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity and has also launched a Supplier's Code of Conduct which sets out the minimum standards that the NetLink Group's suppliers ("**Suppliers**") need to comply with. Amongst others, Suppliers are expected to act ethically and comply with all relevant laws and regulations in their business operations. More details on the Board's oversight of these matters, as well as the codes of conduct and policies that the Board has put in place are set out under "Accountability and Audit" on pages 56 to 64.

The Board provides a balanced and understandable assessment of the NetLink Group's performance, position and prospects to Unitholders in a timely manner, through publication of its quarterly and full-year financial results, and via announcements on NetLink NBN Trust's website and SGXNET.

All directors of the Trustee-Manager ("**Directors**") act honestly and exercise reasonable diligence in the discharge of the duties of his or her office and, in particular, will take all reasonable steps to ensure that the Trustee-Manager discharges its duties under the BTA, and gives priority to the interests of all Unitholders as a whole over the interests of the Trustee-Manager in the event of a conflict between the interests of all Unitholders as a whole and the interests of the Trustee-Manager.

All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest with NetLink NBN Trust, Directors recuse themselves from participating in any discussion and decision on the matter.

CORPORATE GOVERNANCE

Provision 1.2:
Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense[1]. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

NetLink Group has established appropriate internal policies to ensure compliance with legislative and regulatory requirements, including requirements under the BTA and the Listing Rules.

A formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

Newly-appointed Directors undergo a comprehensive orientation programme which includes site visits to the NetLink Group's central offices and co-location rooms to better apprise them of the NetLink Group's business. First-time Directors who do not have prior experience as a director of a Singapore listed company are also provided with a comprehensive briefing on the roles, duties and obligations of directors and will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed under the Listing Rules.

Ms Ku Xian Hong who was appointed on 1 October 2018 had no prior experience as a director of a listed company. However, Ms Ku has been a key member in the design and development of the Directors' Compliance Program and serves on the editorial committee of the series of Corporate Governance Guides published by the Singapore Institute of Directors ("**SID**"). Furthermore, prior to her appointment, Ms Ku had attended the courses/seminars conducted by SID, namely the Listed Company Director Programme (now known as Listed Entity Director Programme); the Effective Board Leadership Programme; the Launch of all Corporate Governance Guides; and the SID Directors' Conference 2015, 2016, 2017 and 2018.

Directors are also regularly updated on changes to applicable laws and regulations (e.g. regulatory developments), and changes in accounting standards, either during Board meetings or via electronic mail.

Under the direction of the Chairman and the Chief Executive Officer ("**CEO**"), the Company Secretaries facilitate good information flow between the Board and Management. The Company Secretaries assist Directors in ensuring compliance with their obligations under the relevant rules and regulations, and in the Directors' professional development. During the financial year ended 31 March 2019 ("**FY2019**"), the following briefings were conducted for Directors:

- Code of Corporate Governance 2018 by Allen & Gledhill LLP; and
- Internet of Things (IoT) and 5G by industry experts.

The Company Secretaries also inform Directors of relevant upcoming conferences and seminars (e.g. training programmes conducted by the SID). The expenses of such events attended by the Directors are borne by the Trustee-Manager.

Provision 1.3:
The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board Charter sets out, inter alia, matters that require the Board's approval viz:

(a) major funding proposals, investments, acquisitions, and divestments including commitments in terms of capital and other resources;

(b) annual budgets and financial plans;

(c) annual and quarterly financial reports;

[1] Rule 210(5)(a) of the Listing Rules requires any director who has had no prior experience as a director of a listed company to undergo training in the roles and responsibilities of a listed company director.

(d) internal controls and risk management strategies, and execution; and

(e) appointment of Directors, CEO, Chief Financial Officer ("**CFO**"), and Chief Operating Officer ("**COO**"), including review of their performance and remuneration packages.

As a general rule, the Board reviews and approves transactions that require disclosure by NetLink NBN Trust pursuant to the Listing Rules. The policy guidelines on Delegation of Authority on Expenditure and Revenue ("**DOA Policy**") also set out the financial limits that require the Board's approval. In its DOA Policy, the Trustee-Manager has adopted a set of internal guidelines which set out the financial authority limits for expenditure, asset disposals and write-off, revenue, and treasury transactions that require the approval of the Board. Appropriate delegations of authority and approval sub-limits are also established at the Management level to facilitate operational efficiency.

Provision 1.4:
Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

Since the constitution of NetLink NBN Trust, the following Board committees have been set up with clear terms of reference to assist the Board in the discharge of its responsibilities:

- Audit Committee ("**AC**")
- Risk and Regulatory Committee ("**RRC**")
- Nominating and Remuneration Committee ("**NRC**")

On 13 February 2019 the NRC was restructured into the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), and the duties formerly undertaken by the NRC are now undertaken by the NC and the RC respectively. The reorganisation of the NRC into the NC and the RC further strengthens the NetLink Group's corporate governance structure.

Information on the AC, RRC, NC and RC (collectively, the "**Board Committees**") and their respective terms of reference can be found in the subsequent sections of this report.

Provision 1.5:
Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The schedule of all Board and Board Committee meetings, and the Annual General Meeting ("**AGM**") is planned one calendar year in advance, in consultation with the Directors. The Board meets at least four times a year and convenes at other times as warranted by particular circumstances to discuss and review the NetLink Group's key activities. Matters on which the Board is consulted include business strategies and policies for the NetLink Group, its annual budget, the performance of the business and the financial affairs of the NetLink Group. The Board also reviews and approves the release of the quarterly and full-year financial results.

The Trustee-Manager's Constitution provides for Board meetings to be held via telephone or video conference.

To ensure that each Director is able to give sufficient time and attention to the NetLink Group's affairs, the Trustee-Manager has in place a Policy on Multiple Directorships. As a general rule, each Director may hold a maximum of five directorships in listed companies. Where a Director holds directorships in more than one listed company within the same group of companies by virtue of his or her employment, such directorships may be considered as a single directorship.

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A record of the Directors' attendance at the AGM, Board and Board Committee meetings for FY2019 is set out in the table below.

	AGM		Board		Audit Committee		Risk and Regulatory Committee		Nominating and Remuneration Committee[5]		Nominating Committee[5]		Remuneration Committee[5]		Board Strategy Retreat	
	Number of Meetings															
Name	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Chaly Mah Chee Kheong	1	1	4	4	-	-	4	4	4	4	-	-	-	-	1	1
Koh Kah Sek	1	1	4	4	4	4	-	-	-	-	-	-	-	-	1	1
Eric Ang Teik Lim[1]	1	1	4	4	4	4	2	2	2	2	-	-	-	-	1	1
Irving Tan Tiang Yew[2]	1	1	2	2	-	-	-	-	2	2	-	-	-	-	1	-
Ku Xian Hong[3]	-	-	2	2	-	-	2	2	-	-	-	-	-	-	-	-
Yeo Wico	1	1	4	4	4	4	-	-	-	-	-	-	-	-	1	1
Arthur Lang Tao Yih	1	1	4	3	-	-	-	-	4	4	-	-	-	-	1	1
Slattery Sean Patrick	1	1	4	4	-	-	4	4	-	-	-	-	-	-	1	1
Tong Yew Heng[4]	1	1	4	4	4	4	4	4	4	4	-	-	-	-	1	1

Note:

1. Mr Eric Ang Teik Lim stepped down from the Risk and Regulatory Committee ("**RRC**") and joined the Nominating and Remuneration Committee ("**NRC**") on 1 October 2018. Mr Eric Ang Teik Lim attended both the RRC meetings held before he stepped down from the RRC as well as both the NRC meetings held in FY2019 since his appointment on the NRC.
2. Mr Irving Tan Tiang Yew stepped down from the Board and the NRC on 1 October 2018 and attended both Board meetings and the NRC meetings held before he stepped down.
3. Ms Ku Xian Hong joined the Board and the RRC on 1 October 2018 and attended both Board meetings and the RRC meetings held in FY2019 since her appointment.
4. Mr Tong Yew Heng is not a member of the Board Committees but attends the meetings in his capacity as CEO.
5. Four NRC meetings were held in FY2019 before the NRC was restructured into the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") on 13 February 2019. No NC or RC meeting was held in FY2019.

Provision 1.6:
Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Management provides the Board with relevant, complete, adequate and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an on-going basis. Management has in place a procedure for papers to be circulated to the Board or to be submitted at Board meetings. Board papers adhere to a standard format which includes background information, issues for deliberation, and risk mitigation measures.

To give Directors sufficient time to prepare for Board and Board Committee meetings, the agenda, papers and presentation slides are uploaded onto a secured electronic platform, one week before the relevant meeting. Directors can access these materials via their personal computers, laptops, smartphones and other mobile devices prior to, during and after meetings. Hard copies of these materials are also distributed to the Directors at their request. Members of Management who prepared the Board papers and can provide additional insights into matters at hand would be present at the relevant meeting.

Management provides the Board with monthly reports on the NetLink Group's financial and business performance, and such explanation and information as the Board may require, to enable the Board to make a balanced and informed assessment of the NetLink Group's performance, position and prospects. The Board is also apprised of any significant developments on business initiatives, industry developments and regulatory updates.

Provision 1.7:
Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

Directors have separate and independent access to Management and the Company Secretaries. As a matter of good corporate governance practice, the role of the Company Secretary has been clearly defined.

The Company Secretaries attend to corporate secretarial administration matters. They assist the Board and Management in implementing and strengthening corporate governance policies and procedures. The Company Secretaries ensure that Board procedures are properly followed. They prepare the agenda for Board and Board Committee meetings in consultation with the Chairman, the respective Board Committee Chairpersons and the CEO, and attend Board and Board Committee meetings. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

The Directors, whether as a group or individually, may seek and obtain independent professional advice in the furtherance of their duties, the expenses of which are borne by the Trustee-Manager.

Board Composition and Guidance

Principle 2:
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1:
An "independent" director[2] is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations[3], its substantial shareholders[4] or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company[5].

[2] Rule 1207(10B) of the Listing Rules requires the Board to identify in the company's annual report each director it considers to be independent.
[3] The term "**related corporation**", in relation to the company, has the same meaning as currently defined in the Companies Act (Chapter 50) of Singapore, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
[4] A "**substantial shareholder**" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act (Chapter 289) of Singapore.
[5] A director who falls under the circumstances described in Rule 210(5)(d) of the Listing Rules is not independent. These circumstances apply to the following: (i) a director being employed by the company or any of its related corporations for the current or any of the past three financial years; (ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the Remuneration Committee; (iii) a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers. Rule 210(5)(d)(i) and (ii) of the Listing Rules come into effect from 1 January 2019. Rule 210(5)(d)(iii) of the Listing Rules and Rule 410(3)(d)(iii) will come into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.4 in the 2012 Code of Corporate Governance will continue to apply.

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Provision 2.2:
Independent directors make up a majority of the Board[6] where the Chairman[7] is not independent.

Provision 2.3:
Non-executive directors make up a majority of the Board.

The Board consists of eight members, five of whom are independent Directors. Of the three non-independent Directors, two are non-executive Directors and one (being the CEO) is an executive Director. The Chairman of the Board, Mr Chaly Mah Chee Kheong, is an independent Director. The independent Directors and their immediate family members have no relationships with the Trustee-Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of NetLink NBN Trust. More details on the independence of Directors are set out under "Additional Information" on pages 164 to 167.

The composition of the Board also complies with the BTA and the Business Trusts Regulations 2005 (the "**BTR**"), and consists of:

- at least a majority of Directors who are independent from Management and business relationships with the Trustee-Manager;
- at least one-third of Directors who are independent from Management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.

Provision 2.4
The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The current composition of the Board and the Board Committees is set out below:

Name	Board	Audit Committee	Risk and Regulatory Committee	Nominating Committee	Remuneration Committee
Chaly Mah Chee Kheong	Chairman and Independent Director	-	Member	Member	Chairman
Koh Kah Sek	Independent Director	Chairman	-	-	-
Eric Ang Teik Lim	Independent Director	Member	-	Chairman	Member
Ku Xian Hong	Independent Director	-	Member	-	-
Yeo Wico	Independent Director	Member	-	-	-
Arthur Lang Tao Yih	Non-Executive Director	-	-	Member	Member
Slattery Sean Patrick	Non-Executive Director	-	Chairman	-	-
Tong Yew Heng	Executive Director	-	-	-	-

Annually, the NC reviews the structure, size and composition of the Board to ensure appropriate balance and diversity. The Board has a diversity policy which requires the NC to take into consideration diversity in skills, industry and business experiences, gender, age, culture, nationalities, tenure of service, and other distinguishing qualities of the members of the Board, and with the objective of bringing to the Board different perspectives, experiences and competencies. In its annual review, the NC was satisfied that the objectives of the diversity policy continue to be met.

During the financial year under review, Mr Irving Tan Tiang Yew stepped down from the Board. In his place, Ms Ku Xian Hong was appointed and the change was effected on 1 October 2018. In appointing Ms Ku Xian Hong, the Board, with the assistance of the NC, has taken into consideration the diversity policy to ensure that the new Director can replace the skillsets of the

6 Rule 210(5)(c) of the Listing Rules requires independent directors to make up at least one-third of the Board. This rule will be come into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.1 in the 2012 Code of Corporate Governance will continue to apply.

7 The Chairman is not independent when (i) he or she is not an independent director, (ii) he or she is also the CEO, (iii) he or she and the CEO are immediate family members as defined in the Listing Manual of the Singapore Exchange (i.e. the person's spouse, child, adopted child, step-child, brother, sister and parent), (iv) he or she and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the Nominating Committee, or (iv) he or she is part of the Management team.

outgoing director and/or can supplement the collective skillsets of the Directors and bring different perspectives to the Board. Candidates for the appointment were identified through executive search firms and the SID's board appointment service.

The Board consists of Directors with core competencies in areas such as accounting, banking, financial, IT, engineering, law and industry knowledge. In concurrence with the NC, the Board is of the view that the current eight-member Board has the appropriate structure, size, diversity and composition to provide effective guidance and make decisions in the best interests of the NetLink Group. The Board also includes two female Directors in recognition of the importance of gender diversity. The current Board composition reflects a diversity of gender, age, skills and knowledge. A graphic presentation of Board diversity by gender and age can be found in the Sustainability Report on page 88.

Provision 2.5:
Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Directors and Management openly discuss and debate issues at Board meetings. Non-executive Directors are kept apprised of NetLink NBN Trust's business through monthly business reviews (which include financial highlights, operational performance indicators and key risks monitoring indices) circulated by Management. Minutes of all Board Committee meetings are circulated to the Board so that the Directors are aware and kept updated as to the proceedings and matters discussed during such meetings. At every Board Meeting, a Non-executive Directors session without the CEO's and Management's presence is scheduled for the Non-executive Directors to review the performance and effectiveness of Management and feedback is thereafter provided to the CEO and Management.

Chairman and Chief Executive Officer

Principle 3:
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Provision 3.1:
The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making[8].

Provision 3.2:
The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The positions of Chairman and CEO are separately held by two persons in order to maintain effective checks and balances. This promotes greater accountability from Management and allows the Board to exercise its independence in its oversight of and deliberations with Management. There is a clear separation of the roles and responsibilities between the Chairman and the CEO, as set out in the Role Statement of the Chairman and the CEO.

The Chairman is responsible for the overall management of the Board as well as ensuring that Directors and Management work together with integrity and competency. He leads the Board to ensure its effectiveness in all aspects of its role. Among other things, the Chairman ensures effectiveness by steering productive and comprehensive discussions amongst Board members and Management on strategic and other key issues pertinent to the business and operations of the Group. He encourages active engagement, participation by and contribution from all Directors. With the assistance of the Company Secretaries, he schedules meetings and prepares meeting agendas to enable the Board to perform its duties responsibly having regard to NetLink NBN Trust's operations. He also monitors the flow of information from Management to the Board to ensure that material information is provided in a timely manner to Directors. The Chairman plays a key role in promoting high standards of corporate governance and transparency, and ensuring effective communication with the stakeholders.

The CEO has full executive responsibilities over the business direction and operational decisions in the day-to-day management of NetLink NBN Trust. He works with Management to ensure that action plans have been put in place in developing an effective enterprise risk management system. He works with the Board to determine NetLink NBN Trust's strategy and is responsible for the implementation of the strategies and polices approved by the Board. The CEO provides leadership and guidance to Management in order to meet the strategic and operational objectives of NetLink NBN Trust. He develops and manages good relationships with the stakeholders, such as Unitholders, the regulators and the investment community.

8 Rule 1207(10A) of the Listing Rules requires the Board to disclose the relationship between the Chairman and the CEO if they are immediate family members.

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Provision 3.3:
The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Chairman and CEO are not immediate family members. Given that the roles of the Chairman and CEO are separate and the Chairman is independent, no lead independent Director is required to be appointed.

Board Membership

Principle 4:
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1:
The Board establishes a NC[9] to make recommendations to the Board on relevant matters relating to:
(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel[10];
(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
(c) the review of training and professional development programmes for the Board and its directors; and
(d) the appointment and re-appointment[11] of directors (including alternate directors, if any)[12].

Provision 4.2:
The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

Provision 4.3
The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Provision 4.4
The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence[13], to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

Provision 4.5
The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments[14] of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

[9] Rule 210(5)(e) of the Listing Rules requires companies to establish one or more committees as may be necessary to perform the functions of an Audit Committee, a Nominating Committee and a Remuneration Committee. Each committee formed has written terms of reference which clearly set out the authority and duties of the committee.
[10] The term "**key management personnel**" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.
[11] Rule 720(5) of the Listing Rules requires all directors to submit themselves for re-nomination and re-election at least once every three years.
[12] Rule 720(6) of the Listing Rules requires key information on directors to be provided together with each resolution on the proposed appointment or re-appointment of directors.
[13] Such relationships include business relationships which the director, his or her immediate family member, or an organisation which the director, or his or her immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director in has with the company or any of its related corporations, and the director's direct association with a substantial shareholder of the company, in the current and immediate past financial year. Where the director or his or her immediate family member, or a company that he, she or they are a substantial shareholder in, provides to or receives from the company or its subsidiaries any significant payments or material services, the amount and nature of the service is disclosed.
[14] The term "**principal commitments**" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

The NC comprises three Directors, all of whom are non-executive Directors and a majority of whom (including the NC Chairman) are independent, namely:

Mr Eric Ang Teik Lim	Chairman
Mr Chaly Mah Chee Kheong	Member
Mr Arthur Lang Tao Yih	Member

The terms of reference of the NC provides that the NC shall comprise at least three non-executive Directors, the majority of whom shall be independent (including being independent from management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager).

The NC's responsibilities include, but are not limited to, the following:

(a) establishing procedures and making recommendations to the Board on relevant matters relating to the appointment and re-appointment of Directors and considering the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance;

(b) reviewing and making recommendations to the Board on relevant matters relating to the board succession plans for Directors, the development of a process and the criteria for evaluation of the performance of the Board, to ensure that the size and diversity of the Board continue to:

   (i) meet the needs of the Trustee-Manager and NetLink NBN Trust; and
   (ii) facilitate effective decision making;

(c) reviewing and making recommendations to the Board on training and professional development programmes for the Board;

(d) reviewing, on an annual basis and as and when circumstances require, whether or not a Director is independent; and

(e) reviewing other directorships held by each Director and deciding whether or not a Director is able to carry out, and has been adequately carrying out, his duties as a Director of the Trustee-Manager.

Each member of the NC abstains from voting on any resolution in respect of the matter in which he has an interest.

The NC seeks to refresh the Board membership progressively and in a systematic manner, to avoid losing institutional knowledge. The NC also reviews the succession plans for the CEO, the CFO and the COO. The NC recognises the importance of succession planning as part of corporate governance and there is an internal process of succession planning for the Chairman, Directors, the CEO and senior Management, to ensure the progressive and systematic renewal of the Board and key executives.

The NC decides how the Board's performance is to be evaluated and propose objective performance criteria. The Chairman of the NC acts on the results of the performance evaluation of the Board, and selections of members of the Board, in consultation with the NC. As in previous years, the Board has appointed an external consultant to conduct an evaluation of the Board, the Board Committees and individual Directors for FY2019.

The NC conducts an annual review of each Director's independence in accordance with the BTA and the BTR requirements and takes into consideration the relevant guidelines in the 2018 Code and the Practice Guidance 2018 in relation to the 2018 Code. In any situation that involves a conflict of interest with NetLink NBN Trust, Directors recuse themselves from participating in any discussion and decision on the matter. More details on the independence of the Directors are set out under "Board Composition and Guidance" on pages 43 to 45 and under "Additional Information" on pages 164 to 167.

Each of the Directors consults the Chairman of the Board prior to accepting further commitments which might either give rise to a conflict of interest or a conflict with any of his duties to the Trustee-Manager and/or NetLink NBN Trust, or which might detract from the time that he is able to devote to his role as a Director. The Chairman of the Board himself has to consult the NC before accepting such commitments.

The Board has adopted guidelines to address the competing time commitments that are faced when Directors serve on multiple boards, set out in a Policy on Multiple Directorships. As a general rule, the maximum number of listed company directorships that a Director may hold is five. Where a Director holds directorships in more than one listed company within the same group of companies by virtue of his employment, such directorships may be considered as a single directorship. In appropriate

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circumstances, the NC may approve a different maximum number of listed company board appointments for a Director, taking into account relevant factors such as the role that the Director plays on the boards that he sits on, whether or not he is employed in an executive position, and the individual skills, ability and capacity of the Director.

For FY2019, the Board is satisfied that all Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and other principal commitments. Having reviewed each Director's attendance, participation, contribution, expertise and competing time commitments, the Board (with the NC's concurrence) is of the view that none of the Directors hold a significant number of directorships and other principal commitments that may impede his/her ability to discharge his/her duties. The Board further notes that, in line with the Trustee-Manager's Policy on Multiple Directorships, none of the Directors hold five or more listed company directorships.

None of the Directors has appointed an alternate director.

The Trustee-Manager has put in place a framework for selection, appointment and re-appointment of Directors. In the process of searching for qualified persons to serve on the Board, the NC will strive for the inclusion of diverse groups and viewpoints. The NC leads the process and makes recommendations to the Board for approval. In making its recommendations, the NC also give due regard to the diversity policy adopted by the Board. The Board will consider, inter alia, skills, industry and business experience, gender, age, culture, nationalities, and other distinguishing qualities of the candidates, before selecting the right candidate. The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In searching for appropriate candidates, the Board uses third party institutions, like the SID, to identify a broader range of suitable candidates.

To ensure that new Directors are aware of their duties and obligations, a formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

Newly-appointed Directors undergo a comprehensive orientation programme which includes site visits to the NetLink Group's central offices and co-location rooms to better apprise them of the NetLink Group's business. First-time Directors who do not have prior experience as a director of a Singapore listed company are also provided with a comprehensive briefing on the roles, duties and obligations of directors and will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed under the Listing Rules.

Under the deed (the "**TM Shares Trust Deed**") constituting Singapore NBN Trust (the "**TM Shares Trust**"), Unitholders (as beneficiaries of Singapore NBN Trust) have the right to, by ordinary resolution in accordance with the TM Shares Trust Deed, direct DBS Trustee Limited (as legal owner of the shares in the Trustee-Manager) to approve the re-election of each Director at the AGM of the Trustee-Manager. Each Director of the Trustee-Manager shall retire from office at least once every three years and for this purpose, at each AGM of the Trustee-Manager, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and shall be eligible for re-election at that AGM (the Directors so to retire being those longest in office). The CEO, as a Director, is subject to the same retirement by rotation.

Annually, the Company Secretary will inform the NC which Directors are due for retirement at the AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these retiring Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments. At the upcoming AGM, the following Directors will be retiring by rotation and they have offered themselves for re-election:

(a) Mr Eric Ang Teik Lim;

(b) Mr Yeo Wico; and

(c) Mr Tong Yew Heng.

In addition, pursuant to Article 89 of the Constitution of the Trustee-Manager, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which he will be eligible for re-election by Unitholders. As Ms Ku Xian Hong was appointed by the Board on 1 October 2018, she will retire at the upcoming AGM. Ms Ku has offered herself for re-election at the upcoming AGM.

The NC recommends the re-election of these Directors to the Board for approval having regard to the Directors' contribution and performance, with reference to the results of the assessment of the performance of the individual Director.

As the Trustee-Manager is a Designated Telecommunication Licensee, approval from the Info-communications Media Development Authority ("**IMDA**") is required for the change in appointment of its Chairman, Directors and CEO.

All key information on the Directors, including listed company directorships and principal commitments, are set out under "Board of Directors" on pages 32 to 35. Information relating to the Directors who are retiring and offering themselves for re-election at the upcoming AGM are as set out in Appendix 7.4.1 of the Listing Rules, and can be found in the "Additional Information on Directors seeking re-election" on pages 27 to 30 of the Report of Singapore NBN Trust for FY2019.

Board Performance

Principle 5:
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1
The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2
The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The Board has in place a process carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and each individual Director. For FY2019, the Board has also adopted Directors' self and peer evaluation, for individual Directors to assess each Director's contribution to the Board.

To ensure that these assessments are conducted fairly, the Board has appointed an external facilitator, Aon Hewitt Singapore Pte Ltd ("**Aon**"), to conduct the evaluation. Save for Aon's appointment as external facilitator to conduct the Board evaluation and as consultant to advise on Directors' and employee remuneration matters, Aon does not have any other connection with the Trustee-Manager or any of the Directors. The Board believes that the use of an external facilitator promotes objectivity, neutrality and confidentiality. The external facilitator has also provided a more detailed and in-depth assessment including benchmarking the results with industry standards.

The evaluation process involves the following steps:

(a) establishment of the Trustee-Manager's requirements e.g. by consulting Chairman/Directors/Management;

(b) designing of the evaluation questionnaire to meet these requirements;

(c) administering the evaluation exercise, including sending out the evaluation questionnaire to Directors and collating their feedback;

(d) analysing the feedback; and

(e) presenting the results of the evaluation exercise with analysis to the NC and the Board.

The evaluation focuses on areas such as Board structure, Board processes, managing the Trustee-Manager's performance, Board strategy and priorities, the development and succession planning for Directors and senior Management (including the CEO), teamwork amongst Directors, and each Director's contribution to the Board. Objective performance criteria, which allow benchmarking with industry peers, have been set for such evaluation. The results of the evaluation for FY2019 indicated that the Board has improved in overall perception and compares favourably with the boards of the Trustee-Manager's peer companies.

Through self and peer feedback mechanisms, each Director is evaluated on attributes such as contribution, knowledge and abilities, and teamwork. Upon completion of the evaluation exercise, each Director receives a copy of the ratings on his or her evaluation analysis.

CORPORATE GOVERNANCE

SECTION (B): REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6:
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1
The Board establishes a Remuneration Committee ("RC")[15] to review and make recommendations to the Board on:
(a) a framework of remuneration for the Board and key management personnel; and
(b) the specific remuneration packages for each director as well as for the key management personnel.

Provision 6.2
The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

Provision 6.3
The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

Provision 6.4
The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC comprises three Directors, all of whom are non-executive Directors and a majority of whom (including the RC Chairman) are independent, namely:

Mr Chaly Mah Chee Kheong	Chairman
Mr Eric Ang Teik Lim	Member
Mr Arthur Lang Tao Yih	Member

The terms of reference of the RC provides that the RC shall comprise at least three non-executive Directors, the majority of whom shall be independent (including being independent from Management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager).

The RC's responsibilities include, but are not limited to, the following:

(a) reviewing and recommending to the Board, in consultation with the Chairman of the Board (where applicable), a general framework of remuneration for the Board and key management personnel, and specific remuneration packages for each Director and key management personnel, for endorsement by the Board;

(b) reviewing the obligations of the Trustee-Manager and the NetLink Group arising in the event of the termination of the service contracts of executive Directors and key management personnel, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous; and

(c) administering and approving awards under the Long Term Incentive Plan (please refer to "Long-Term Incentive Component" under "CEO/Executive Director and Key Management Personnel Remuneration" on page 52) and/or other long term incentive schemes to Directors and/or senior executives of the NetLink Group.

[15] Rule 210(5)(e) of the Listing Rules requires companies to establish one or more committees as may be necessary to perform the functions of an Audit Committee, a Nominating Committee and a Remuneration Committee. Each committee formed should have written terms of reference which clearly set out the authority and duties of the committee.

The Director of Human Resource assists the RC in the execution of its functions, and makes reference to market surveys and information where relevant. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the NetLink Group and its appointed consultants will not affect the independence and objectivity of the remuneration consultants. For FY2019, Aon was engaged as the consultant to advise on Directors' and employee remuneration matters. Save for Aon's appointment as the external facilitator to conduct the Board evaluation and as consultant to advise on remuneration matters, Aon does not have any other existing relationships with the NetLink Group.

Level and Mix of Remuneration

Principle 7:
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1:
A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Provision 7.2:
The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Provision 7.3:
Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The RC establishes remuneration policies that are in line with the NetLink Group's business strategies and risk policies as well as long-term interests of the NetLink Group and the Unitholders, with a view to ensuring remuneration packages are sufficiently competitive to attract, retain and motivate Directors and key management personnel of the appropriate experience and expertise. In its deliberations, the RC will take into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The framework for determining Directors' fees is set out under "Disclosure on Remuneration" on pages 53 to 54. Directors' fees are wholly paid out in cash. Nevertheless, Directors are encouraged to hold NetLink NBN Trust units so as to better align the interests of Directors with the interests of Unitholders.

The framework for determining the remuneration of the key management personnel is described in the paragraphs below. Remuneration packages comprise fixed components and variable components, including short-term and long-term incentive components, and are structured around measured key performance indicators.

CEO/Executive Director and Key Management Personnel Remuneration

The RC seeks to ensure that the level and mix of remuneration for the CEO and key management personnel are competitive, aligned with Unitholders' interests and promote NetLink Group's long-term success.

The letters of appointment of the CEO, the CFO and the COO provide that the incentive components of their remuneration may be reclaimed in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the NetLink Group.

During FY2019, there was no termination, retirement or post-employment benefits granted to the Directors, the CEO and key management personnel. None of the NetLink Group's employees is an immediate family member of any Director or the CEO.

Remuneration for the CEO and key management personnel comprises a fixed component, variable cash component, long-term incentive component and market-related benefits:

A. Fixed Component

The fixed component comprises the base salary and fixed allowances.

CORPORATE GOVERNANCE

B. Variable Cash Component

The variable cash component is given in the form of an Annual Variable Bonus ("**AVB**"). This AVB is a cash-based incentive for the CEO and key management personnel, which is linked to the achievement of annual performance targets.

Corporate and individual performance objectives are set at the beginning of each financial year. The objectives are aligned to the NetLink Group's overall strategic, financial and operational goals, and are cascaded down to a select group of key management personnel using scorecards, creating alignment between the performance of the NetLink Group and the individual. While the performance objectives are different for each executive, they are assessed on the same principles across five broad categories of targets, namely Financial and Operational Performance; People, Projects and Processes; Stakeholders; and Strategic.

The target AVB for the CEO and key management personnel is pre-set at a fixed percentage of their annual base salary, and is adjusted based on the achievement of the corporate and individual targets at the end of each financial year. The final AVB pay-out can range from 0 to 1.5 times of the target pay-out for the CEO, the CFO and the COO, and range from 0 to 2 times of the target pay-out for other key management personnel.

C. Long-Term Incentive Component

The NetLink Trust Long-Term Incentive Plan (the "**Plan**") is an incentive plan established with the objective of rewarding and retaining key executives for driving long-term business performance that is aligned with Unitholders' interest. Under the Plan, the performance conditions are set over a three-year performance period and are based on free cash flow, return on total assets and absolute total unitholder return. The target award for eligible roles is set as a multiple of monthly base salary and the magnitude is determined using market benchmark on total compensation.

The awards are granted on a contingent basis, and the awards will be determined and fully vest at the end of a three-year performance period (beginning on 1 April immediately preceding the date of grant), based on performance against the measures identified above, with a minimum threshold performance being specified in respect of each performance measure and with superior performance in respect of each performance measure allowing for a maximum final award of up to 1.5 times of the contingent award.

The awards are to be paid out in cash in full upon vesting. In this regard, the awards which are granted will be notionally converted into a number of Units based on the average daily closing unit price from January to March of the year in which the awards are granted (except in the case of awards granted in 2017 prior to the IPO, which were notionally converted into a number of Units based on the Offering Price of S$0.81), and such notional number of Units, multiplied by the achievement factor of 0 to 1.5 times depending on the performance achieved against the measures identified above, will then be converted into and paid out in cash based on the average daily closing unit price of the Units in the three-month period immediately prior to the end of the three-year performance period.

To the extent that any awards are granted to the CEO, the CFO and/or the COO, such awardee is required, within one year following the vesting of the relevant awards (subject to the awardee still being in the NetLink Group's employment), to accumulate a minimum unitholding in NetLink NBN Trust equal to such person's prevailing annual base salary at the time of vesting of the awards. This obligation to accumulate a minimum unitholding does not apply to other participants in the Plan.

The Plan was introduced in April 2017 prior to the IPO of NetLink NBN Trust. The Plan replaced the previous long-term incentive plan. The awards granted to the CEO, the CFO and the COO under the previous long-term incentive plan have met the performance objectives set and have since vested in accordance with the terms of the previous long-term incentive plan.

D. Market-related Benefits

These benefits, which include club membership and flexi benefit and other non-cash benefits such as medical, dental, comprehensive health screening and car-parking, are comparable with local market practices.

Disclosure on Remuneration

Principle 8:
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration framework is based on policies which are aligned with Unitholders' interests to support the NetLink Group's business with the aim of retaining key capabilities, provide sound and structured funding of remuneration in ensuring affordability and sustainable value creation. Competitive remuneration packages are offered to attract and retain experienced individuals. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principle 7 above.

Provision 8.1:
The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:
(a) each individual director and the CEO; and
(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

Provision 8.2:
The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Provision 8.3:
The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Non-Executive Directors' Remuneration

FY2019

For FY2019, the framework for determining the Directors' fees is set out below. This framework was adopted in July 2017 after a review of the remuneration practices of real estate investment trusts and business trusts listed on the SGX-ST.

Appointment	Fees per annum (S$)
Board Chairman	110,000
Board Member	75,000
Audit Committee Chairman	50,000
Audit Committee Member	30,000
Risk & Regulatory Committee Chairman	35,000
Risk & Regulatory Committee Member	20,000
Nominating & Remuneration Committee Chairman	35,000
Nominating & Remuneration Committee Member	20,000

Following the restructuring of the NRC into the NC and the RC on 13 February 2019, the fees for the NRC was equally divided between the NC and the RC with effect from that date to 31 March 2019.

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The annual remuneration of Directors for FY2019 is as follows:

Directors	Directors' Fees (S$)
Chaly Mah Chee Kheong	164,021
Eric Ang Teik Lim[1]	125,979
Koh Kah Sek	125,000
Irving Tan Tiang Yew[2]	47,500
Ku Xian Hong[3]	47,500
Yeo Wico	105,000
Arthur Lang Tao Yih[1]	95,000
Slattery Sean Patrick[1]	110,000
Total	**820,000**

Note:
1 Fees are paid to Director's employer company
2 Stepped down on 1 October 2018
3 Appointed on 1 October 2018

The CEO, Mr Tong Yew Heng, is an Executive Director and is therefore remunerated as part of senior Management. He does not receive Directors' Fees.

Financial Year Ending 31 March 2020

During FY2019, Aon was commissioned to conduct a review of the remuneration framework for non-executive Directors to ensure that Directors' remuneration is market benchmarked. Following the RC's recommendation and the Board's review, it is proposed that for the financial year ending 31 March 2020:

(a) Board Chairman retainer fees be increased to $150,000;

(b) NC Chairman retainer fees and NC Member retainer fees be increased to $20,000 and $12,000 respectively; and

(c) RC Chairman retainer fees and RC Member retainer fees be increased to $20,000 and $12,000 respectively.

Save for the abovementioned changes, the fee structure will remain the same. Accordingly, the proposed framework for determining Directors' fees for the financial year ending 31 March 2020 is as follows:

Appointment	Fees per annum (S$)
Board Chairman	150,000
Board Member	75,000
Audit Committee Chairman	50,000
Audit Committee Member	30,000
Risk & Regulatory Committee Chairman	35,000
Risk & Regulatory Committee Member	20,000
Nominating Committee Chairman	20,000
Nominating Committee Member	12,000
Remuneration Committee Chairman	20,000
Remuneration Committee Member	12,000

CEO's and Top Five Key Management Personnel's Remuneration

Following is a breakdown of the level and mix of the annual remuneration of the CEO and each of the top five key management personnel in FY2019, set out in bands of S$250,000:

Table 1: CEO's Remuneration

Name	Fixed[1] (S$)	Variable[2] (S$)	CPF[3] (S$)	Benefits[4] (S$)	LTI[5] (S$)	Total Remuneration (S$)
Tong Yew Heng	492,204	371,283	13,260	5,870	27,813	910,430

Mr Tong Yew Heng was granted a long term incentive award of S$341,253 for FY2019. The award is granted on a contingent basis, and will be determined and fully vested at the end of a three-year performance period, based on performance against the performance conditions set.

Table 2: Top Five Key Management Personnel's Remuneration

Remuneration Band	Fixed[1] (%)	Variable[2] (%)	CPF[3] (%)	Benefits[4] (%)	LTI[5] (%)	Total Remuneration (%)
Between $500,001 and $750,000						
Chye Hoon Pin	53	26	1	1	19	100
Wong Hein Jee	59	28	3	1	9	100
Between $250,001 and $500,000						
Ang Soo Piang	68	28	3	1	0	100
Widjaja Suki	74	18	6	2	0	100
Tiong Onn Seng	73	21	5	1	0	100

Note:

1 Fixed refers to base salary and fixed allowances for FY2019.

2 Variable refers to cash-based incentives earned in FY2019 and paid out in June 2019.

3 CPF refers to company statutory contributions to the Singapore Central Provident Fund in FY2019.

4 Benefits in FY2019 are stated on the basis of direct costs and include benefits like club membership and flexi benefit and other non-cash benefits such as medical, dental, comprehensive health screening and car parking.

5 LTI refers to the second one-third of pre-IPO long-term incentive plan awards which have vested, and will be paid out in cash in July 2019.

The top five members of senior management (who are not Directors or the CEO) were granted LTI awards in aggregate of S$505,556 for FY2019. These awards are granted on a contingent basis, and will be determined and fully vested at the end of a three-year performance period, based on performance against the performance conditions set.

The total remuneration paid to the top five senior management personnel (who are not Directors or the CEO) in FY2019 was approximately S$2,271,252.

There are no employees of the Trustee-Manager and the NetLink Group who are substantial Unitholders of the Trust, or are immediate family members of the Directors or the CEO or a substantial Unitholder of the Trust, and whose remuneration exceeds S$100,000 during FY2019.

CORPORATE GOVERNANCE

SECTION (C): ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9:
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders[16].

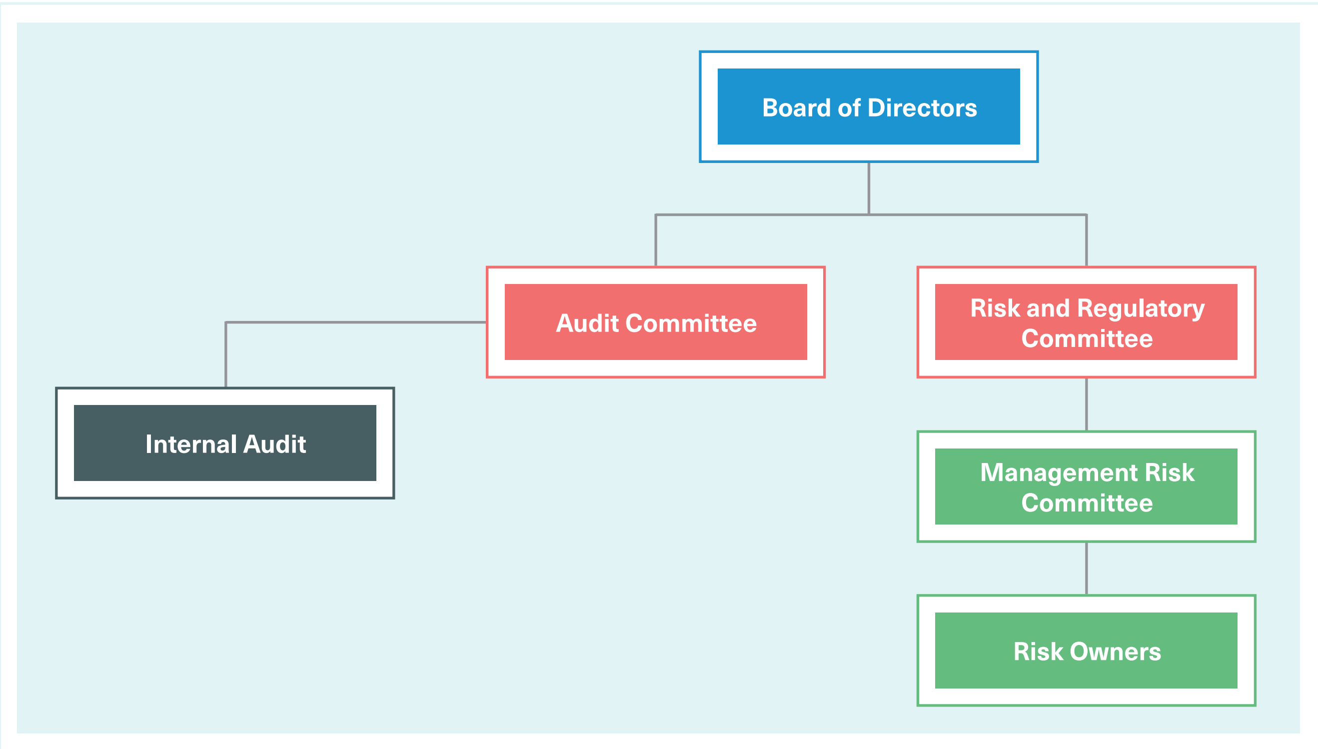
Provision 9.1:
The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

Provision 9.2:
The Board requires and discloses in the company's annual report that it has received assurance from:
(a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

NetLink Group aims to excel as the planner, builder, operator and long-term owner of quality infrastructure assets and provider of quality infrastructure services, adding value to its stakeholders and achieving consistent returns. The Board views risk management as a key contributing factor in achieving its objectives.

The Board oversees risk governance in the NetLink Group through frameworks for risk management and the implementation of internal controls. Through the NetLink Group's risk governance structure, and with the assistance of the RRC and the AC, the Board seeks to manage potential risks associated with the execution of its business strategies and create value for its stakeholders.

NetLink Group's risk governance structure is illustrated in the table below.



[16] Rule 610(5) and Rule 719(1) of the Listing Rules require the Board to comment on the adequacy and effectiveness of the company's internal controls and risk management systems, and the AC's concurrence with the Board's comments. Where either the Board or the AC comments that the issuer's group's internal controls or risk management systems have weaknesses, the issuer must provide clear disclosure on the weaknesses and the steps taken to address them.

The RRC comprises three Directors, the majority of whom are non-executive and independent Directors, namely:

Mr Slattery Sean Patrick	Chairman
Mr Chaly Mah Chee Kheong	Member
Ms Ku Xian Hong	Member

The terms of reference of the RRC provides that the RRC shall comprise at least three Directors, the majority of whom are non-executive and independent (including being independent from Management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager).

The RRC's responsibilities include, but are not limited to, the following:

(a) providing oversight and reviewing the adequacy and effectiveness of the risk management system and system of internal controls of the Trustee-Manager and the NetLink Group, and reviewing the Trustee-Manager's and the NetLink Group's overall risk assessment processes, policies and guidelines that inform the Board's decision-making;

(b) advising the Board on the Trustee-Manager's and the NetLink Group's overall risk tolerance and strategy;

(c) reviewing the risk management processes and activities of the Trustee-Manager and the NetLink Group to mitigate and manage risk at acceptable levels determined by the Board;

(d) keeping under review the effectiveness of the Trustee-Manager's and the NetLink Group's internal controls and risk management systems and reviewing and approving the statements to be included in the annual report of NetLink NBN Trust concerning the effectiveness of the Trustee-Manager's and the NetLink Group's internal control and risk management systems;

(e) reviewing the Trust's compliance with regulatory obligations imposed by IMDA, particularly in respect of:

  (i) the control and ownership restrictions set out in the FBO licence granted to the Trustee-Manager by IMDA;

  (ii) the Capex Reserve Requirement[17]; and

  (iii) the restrictions on services offered by the Trust as set out in the FBO licence granted to the Trustee-Manager by IMDA; and

(f) providing guidance and recommendations to the Board on strategic regulatory matters.

Each member of the RRC abstains from voting on any resolutions in respect of the matter in which he has an interest.

The RRC, under its terms of reference, has the responsibility to, among others, provide oversight and review the adequacy and effectiveness of the risk management system. While the overall supervision of risk management rests with the RRC, the AC is involved in monitoring Management's efforts in managing financial and financial reporting-related risks, and internal controls, and liaises closely with the RRC. Information is shared on a regular basis between the AC and the RRC.

The RRC is supported by a Management Risk Committee ("**MRC**") comprising management executives which reviews the effectiveness of the risk management processes on a regular basis and reports any substantial findings of risks or non-compliance to the RRC. The CEO chairs the MRC.

NetLink Group has implemented an Enterprise Risk Management ("**ERM**") framework based on ISO 31000: 2009 (Risk Management Principles and Guidelines) with the aim of pursuing a systematic and structured approach towards the effective management of risk. KPMG Services Pte. Ltd. was engaged by the NetLink Group to assist in the development and implementation of this framework.

17 "Capex Reserve Requirement" is the requirement for NetLink Trust to set aside monies for at least 20% of capital expenditure reserve fund per year cumulating to S$40 million over the five year period from 1 January 2018 to 31 December 2022, to meet regulatory requirements from IMDA or for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink Trust's network infrastructure.

CORPORATE GOVERNANCE

In adopting ISO 31000: 2009 (Risk Management Principles and Guidelines), the NetLink Group seeks to achieve the following objectives through the effective management of risk:

(a) good corporate governance standards;

(b) a structured and disciplined approach to manage risks and promote a consistent process across the NetLink Group;

(c) an effective system of internal controls;

(d) a culture of risk awareness at all levels within the NetLink Group;

(e) successful business performance; and

(f) manage risks to a level commensurate with the corporate appetite for risks.

The MRC is accountable to the RRC and the Board for the effectiveness of the ERM framework, policies and resources employed to identify, manage and report risks relating to the NetLink Group's activities.

Significant risks facing the NetLink Group are identified and assigned to relevant risk owners. The risk owners will perform an assessment on the potential impact and likelihood of those risks occurring, the adequacy of the NetLink Group's internal controls and the action plans taken to mitigate such risks. This assessment will be documented in the NetLink Group's risk register and updated at least on an annual basis. Risks are then categorised into Tier 1 and Tier 2 risks based on significance, which will be further deliberated by the MRC and the RRC.

To enhance risk monitoring, risk appetite statements and key risk indicators are developed and monitored. For any breach of the indicators, this will be escalated to MRC and RRC for discussion and review of action plans.

More information on the NetLink Group's ERM framework can be found under "Enterprise Risk Management" on pages 68 to 72.

Various policies have been developed and implemented to ensure proper governance.

NetLink Group has in place an employee's Code of Conduct which sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

Employees must comply with the NetLink Group's reporting and disclosure requirements of potential or actual conflicts of interest, and are prohibited from engaging in situations or situations which could result in conflicts of interest. All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. A Director recuses himself and abstains from the Board's decision on matters relating to any transaction in which he has an interest.

The Anti-Bribery and Corruption Policy further reinforces the NetLink Group's commitment to maintain high ethical standards. NetLink Group adopts a "zero tolerance" position to bribery and corruption and the policy sets out the responsibilities of the NetLink Group and its employees in observing and upholding this position.

The abovementioned policies, together with other policies such as the Gift, Prize, Entertainment and Hospitality Policy and the Corporate Donation and Sponsorship Policy, which are available to employees on a shared online platform, deter and manage risk of unethical behaviour.

NetLink Group has also launched a Supplier's Code of Conduct which sets out the minimum standards that Suppliers need to comply with. Amongst others, Suppliers are expected to act ethically and comply with all relevant laws and regulations in their business operations.

The Whistleblowing Policy allows employees and external parties to report concerns or suspicions of fraud, corruption, dishonest practices and other improprieties observed within the NetLink Group without fear of retaliation. Reports may be made via various modes of communication through an external channel. Valid reports made in good faith will be investigated independently and appropriate follow-up action will be taken upon direction by the Chairman of the AC.

The Trustee-Manager is required to comply with the provisions of the Listing Rules relating to Interested Person Transactions ("**IPTs**") as well as the BTA and such other guidelines relating to IPTs as may be prescribed by relevant laws, regulations and guidelines. In this regard, the Trustee-Manager has adopted an Interested Person Transactions Policy which sets out, inter alia, procedures for reviewing IPTs, to ensure that all IPTs will be undertaken on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of NetLink NBN Trust and its minority Unitholders. The list of IPTs for the period under review can be found under "Additional Information" on page 169.

In terms of internal controls, the internal and external auditors conduct reviews on the adequacy and effectiveness of the NetLink Group's internal controls and report any material non-compliances or weaknesses in internal controls to the AC for review. The AC also reviews the adequacy and effectiveness of the measures taken by Management on recommendations made by the internal and external auditors to rectify such non-compliances and weaknesses.

The Board has received assurance from:

(a) the CEO and the CFO that the NetLink Group's financial records have been properly maintained and the financial statements for the period under review give a true and fair view of the NetLink Group's operations and finances; and

(b) the CEO, the CFO and the COO (collectively "**key management personnel**") that the system of risk management and internal controls in place within the NetLink Group is adequate and effective in addressing the risks which the NetLink Group considers relevant and material to its business operations.

The key management personnel has obtained similar assurances from the heads of operational and corporate departments in the NetLink Group on the risk management and internal control systems within their respective scope, to support their assurance statement to the Board.

Based on:

(a) the system of risk management and internal controls established and maintained by the NetLink Group as described above;

(b) work performed by the internal and external auditors; and

(c) assurances from the key management personnel together with regular reviews performed by Management,

the Board, with the concurrence of the AC and the RRC, is of the opinion that the NetLink Group's system of risk management and internal controls were adequate and effective as at 31 March 2019 to address the risks (including financial, operational, compliance and information technology risks), which the NetLink Group considers relevant and material to its operations.

The Board notes that the NetLink Group's risk management and internal controls provide reasonable, but not absolute, assurance that the NetLink Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that there is no risk management system and internal controls that could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE

Audit Committee

Principle 10:
The Board has an AC[18] which discharges its duties objectively.

Provision 10.1
The duties of the AC include:
(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and
(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Provision 10.2:
The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3:
The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Provision 10.4:
The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

Provision 10.5:
The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The Audit Committee is required to comprise at least three members:

- all of whom are independent from Management and business relationships with the Trustee-Manager; and
- at least a majority of whom, including the Chairman of the AC, are independent from Management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager.

The members of the AC are:

Ms Koh Kah Sek	Chairman
Mr Eric Ang Teik Lim	Member
Mr Yeo Wico	Member

18 Rule 210(5)(e) of the Listing Rules requires companies to establish one or more committees as may be necessary to perform the functions of an Audit Committee, a Nominating Committee and a Remuneration Committee. Each committee formed should have written terms of reference which clearly set out the authority and duties of the committee.

All AC members are independent Directors. None of the AC members were former partners or directors of the Trustee-Manager's external auditor within the last two years or hold any financial interest in the external auditor.

The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management/partners in the accounting, financial and legal sectors.

The role of the AC is to develop, maintain and monitor an effective system of internal controls. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of internal and external audits in respect of cost, scope and performance. In view of the Board's overall responsibility to maintain a sound risk management system, the Board is of the opinion that the RRC, which has been set up specifically to review the adequacy and effectiveness of the risk management systems of the Trustee-Manager and the NetLink Group specifically, is the appropriate Board committee to perform such duties.

The AC's responsibilities also include, but are not limited to, the following:

(a) reviewing the quality and reliability of information prepared for inclusion in NetLink NBN Trust's financial reports;

(b) reviewing NetLink NBN Trust's consolidated financial statements, as well as the assurances from the CEO and the CFO on the financial records and financial statements, and any announcements relating to NetLink NBN Trust's financial performance prior to submission to the Board;

(c) reviewing with the auditors of the Trust:

  (i) the audit plan of the Trust;

  (ii) the auditor's audit report for the Trust;

  (iii) the auditor's management letter and management's response in respect of the Trust;

  (iv) the assistance given by the officers of the Trustee-Manager to the auditors of the Trust;

  (v) the scope and results of the internal audit procedures implemented by the Trustee-Manager;

  (vi) the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed; and

  (vii) the internal guidelines and procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including interested person transactions (to determine if such guidelines and procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the Trust and the minority Unitholders), the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;

(d) reviewing interested person transactions to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the Trust and the minority Unitholders;

(e) reviewing any actual or potential conflicts of interest matters referred to the AC. This includes reviewing any actual or potential conflicts of interest that may involve the Directors as disclosed by them to the Board. Upon disclosure of an actual or potential conflict of interest by a Director, the AC will consider whether a conflict of interest does in fact exist. A Director who is a member of the AC will not participate in any proceedings of the AC in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as the AC may deem reasonably necessary. Where a conflict of interest does exist, the AC will resolve or propose, where appropriate, the relevant measures for the management of such conflicts;

CORPORATE GOVERNANCE

(f) reviewing the balance sheet, and profit and loss account of the Trustee-Manager, as well as the balance sheet, profit and loss account and cash flow statement of NetLink NBN Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(g) reporting to the Board:

  (i) any inadequacies, deficiencies or matters of concern of which the AC becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (b), (c), (d), (e) and (f); and

  (ii) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the AC becomes aware or that it suspects;

(h) reporting to the MAS if the AC is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (g);

(i) nominating a person or persons as auditor of the Trust, notwithstanding anything contained in the Trust Deed;

(j) reviewing and monitoring Management's efforts in managing financial and financial reporting-related risks and internal controls;

(k) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Trustee-Manager and the Trust and any announcements relating to the Trustee-Manager's and the Trust's financial performance;

(l) reviewing the policy and arrangements by which staff of the Trustee-Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective shall be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(m) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Trustee-Manager's and the Trust's risk management systems and internal controls, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties;

(n) monitoring and reviewing the implementation of the auditors' recommendations for internal control weaknesses (if any);

(o) reviewing the adequacy, effectiveness, independence, scope and results of the external auditors;

(p) reviewing all hedging policies to be implemented by the NetLink Group;

(q) determining the criteria for selection, monitoring and assessing the external auditor, and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, as well as approving the remuneration and terms of engagement of the external auditor;

(r) reviewing at least annually the independence, adequacy and effectiveness, scope and results of the internal audit function and processes, as well as ensuring that the internal auditor is adequately resourced and set up to carry out its functions; and

(s) meeting with the external and internal auditors, without the presence of the executive officers, at least on an annual basis.

The AC has considered the performance of the external auditors and the volume of non-audit services provided by the external auditors together with the fees paid for such services. The AC is satisfied that the independence and objectivity of the external auditors have not been impaired by the provision of those services. The aggregate amount of audit fees paid/payable to the external auditors is S$173,000 of which S$163,000 pertains to annual audit services and S$10,000 pertains to permissible non-audit services (as shown in Note 10 under "Notes to the Financial Statements" on page 136).

The AC has the authority to investigate matters within its terms of reference and has unfettered access to the NetLink Group's management, and internal and external auditors. AC meetings are attended by the CEO and the CFO as well as the internal and external auditors.

During FY2019, the AC reviewed the NetLink Group's financial statements and accompanying announcements before recommending them to the Board for approval. The AC also met with the internal and external auditors without the presence of Management to obtain feedback on the competency and adequacy of the finance function, to review the assistance given to the internal and external auditors, and to discuss the financial reporting process and the NetLink Group's financial condition, the system of internal controls, and other significant comments and recommendations by the auditors. Where relevant, the AC makes reference to best practices and guidance for Audit Committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore. The key audit matters reported by the external auditors and reviewed by the AC for FY2019 are set out below:

Key Audit Matter	How the Audit Committee addressed the matter
Goodwill impairment review	The AC considered the methodology, estimates and assumptions such as WACC of 5.26% and terminal growth rate of 1.5% used in the valuation model for purpose of determining if there is any impairment of goodwill. The AC also considered the auditor's report and findings of the external auditors on their assessment for the key assumptions driving the value-in-use calculation, in particular the cash flow forecasts, discounting period, discount rate and long term growth rate. The AC was satisfied that the review process and the methodology used were appropriate and disclosures in the financial statements were adequate. The external auditor has included this item as a key audit matter in the auditor's report for the financial year ended 31 March 2019. Please refer to page 103.

The Board confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the Listing Rules. The information included in this Annual Report, excluding the Financial Statements and auditor's report, was provided to the external auditors after the auditor's report date. The external auditors have provided a written confirmation to the AC that they have completed the work in accordance with SSA 720 (Revised) The Auditor's Responsibilities Relating to Other Information, and they have noted no exception.

NetLink Group's external auditors prepare an audit plan on an annual basis, taking into consideration, amongst other things, the financial reporting-related risks identified by the internal auditors, and presents such audit plan to the AC for its review and concurrence. NetLink Group's external auditors also report to the AC on matters relating to internal financial controls that come to their attention during the course of their normal audit and provides related recommendations for improvements. The AC reviews, among others, the scope and results of the external audit, and the independence and objectivity of the external auditors.

Internal audit function has been outsourced to KPMG Services Pte. Ltd. The internal auditors report directly to the Chairman of the AC and has unfettered access to all company documents, records, properties, personnel and the AC. The internal audit function is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of the Internal Auditors ("**IIA**"). The internal auditors adopt a risk-based approach in developing the annual internal audit plan that is aligned with the organisation's key risks. The internal auditors plan its internal audit schedules in consultation with, but independent of the Management.

CORPORATE GOVERNANCE

The annual audit plan is submitted to the AC for approval at the beginning of each year. On a quarterly basis, internal audit reports are submitted to the AC for discussion and in particular, on the progress in executing the internal audit plan, any major internal control gaps and lapses as well as corrective actions taken by Management. The AC monitors the timely and proper implementation of the required corrective, preventive or improvement actions undertaken by Management through a follow-up audit that is conducted by the internal auditors annually. Based on the annual audit plan and the reports submitted by the internal auditors every quarter, the AC is satisfied that the internal auditors have adequate resources, appropriate standing and the required expertise to perform the internal audit function effectively and independently. The AC reviews, among others, the independence, adequacy and effectiveness of the Trustee-Manager's internal audit function at least annually, and the scope and results of the internal audit and its cost effectiveness.

The AC is kept apprised by Management and through presentations by the auditors of changes in financial reporting standards and issues which have a direct impact on financial statements.

SECTION (D): SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1:
The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Provision 11.2:
The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Provision 11.3:
All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

Provision 11.4:
The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Trustee-Manager is committed to treating all of NetLink NBN Trust's Unitholders fairly and equitably and to facilitate the exercise of Unitholders' rights. All Unitholders enjoy specific rights under the Trust Deed, the Trustee-Manager's Constitution and the relevant laws and regulations, including the right to attend and vote at general meetings.

DBS Trustee Limited (as share trustee of Singapore NBN Trust) holds the shares of the Trustee-Manager on trust for the benefit of the beneficiaries of Singapore NBN Trust (being the Unitholders) pari passu, each of whom has an undivided interest in the Trustee-Manager in proportion to their respective percentage of units held or owned by each of them in the Trust. The TM Shares Trust Deed provides that the Trustee-Manager agrees and undertakes to call and hold meetings and proceedings of the beneficiaries of Singapore NBN Trust for the purposes of the TM Shares Trust Deed in accordance with the Trust Deed. The TM Shares Trust Deed also provides that all rights of voting conferred by the shares in the Trustee-Manager shall be exercised by the Share Trustee in accordance with the relevant resolutions passed by the Unitholders. Accordingly, in addition to the AGM of the Trust held each year, an AGM of the TM Shares Trust is also held each year as immediately after the AGM of the Trust.

The Trustee-Manager welcomes Unitholders' participation at NetLink NBN Trust's AGMs, the AGMs of the TM Shares Trust, and any Extraordinary General Meetings ("**EGM**"). The Board and senior Management attends all general meetings to address Unitholders' queries. Unitholders will be given opportunity to communicate their views on various matters concerning the NetLink Group. All Directors and the NetLink Group's external auditors attended the AGMs on 25 July 2018. No other Unitholders' meeting was held during the period under review.

The Trustee-Manager will send all Unitholders a copy of NetLink NBN Trust's annual report and a copy of the notice of AGM prior to the Trust's AGM as well as a copy of the notice of AGM of the TM Shares Trust prior to the AGM of the TM Shares Trust in compliance with the requisite notice period. For EGMs, the Trustee-Manager will send each Unitholder a copy of a circular and a copy of the notice of EGM which contains details of the matters to be proposed for Unitholders' consideration and approval. The Trustee-Manager will also announce notices of general meetings setting out all items of business to be transacted at the general meeting via SGXNET.

At AGMs, the CEO will make a presentation to Unitholders on the NetLink Group's business performance and its prospects, going forward. The presentation materials will be posted on SGXNET and NetLink NBN Trust's corporate website.

At Unitholders' meetings, each resolution proposed will be voted on by way of electronic poll voting for Unitholders/proxies present at the meetings. The detailed results showing the number of votes cast for and against each resolution, and the respective percentages, will be tallied and displayed on screen to Unitholders immediately after each poll is conducted at the Unitholders' meeting. The results of the poll of each Unitholders' meeting will also be announced in a timely manner after the Unitholders' meeting via SGXNET.

Unitholders may appoint up to two proxies to attend and vote on their behalf if they are unable to attend in person, and corporate Unitholders may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM/EGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, in accordance with the Trust Deed. Unitholders who are Relevant Intermediaries (as defined in the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies at a meeting of Unitholders, such that indirect investors may be appointed as proxies to participate in Unitholders' meetings. Details on the appointment of proxies are contained in the proxy forms which will be despatched to Unitholders together with the notice of AGM/EGM.

Resolutions submitted at the Unitholders' meetings are separate and not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Trustee-Manager will explain the reasons and material implications. The tabling of separate resolutions gives Unitholders the right to express their views and exercise their voting rights on each resolution separately. Information is also provided on each resolution to enable Unitholders to exercise their vote on an informed basis. Such information include the Directors' fees framework for the resolution on the payment of Directors' fees, and the background and board committee positions of the relevant Directors for the resolutions on the re-election of Directors.

The Trustee-Manager does not intend to adopt absentia voting methods (e.g. via mail, email or fax) for NetLink NBN Trust and Singapore NBN Trust until issues such as the authentication of unitholder identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, as Unitholders may appoint proxies to attend and vote on their behalf as further mentioned above, the Board is of the view that Unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting.

Provision 11.5:
The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Minutes of NetLink NBN Trust's and Singapore NBN Trust's AGM/EGM will be posted on the Trust's website as soon as practicable. The minutes will record substantial and relevant comments or queries from Unitholders relating to the meetings, and responses from the Board and Management. The Trustee-Manager also ensures that all material information relating to the NetLink Group is disclosed in an accurate and timely manner through publication on SGXNET and is made available to everyone, including Unitholders.

CORPORATE GOVERNANCE

Provision 11.6:
The company has a dividend policy and communicates it to shareholders[19].

NetLink NBN Trust's distribution policy is to distribute 100% of its cash available for distribution, which includes distributions received from its wholly-owned subsidiary, NetLink Trust. NetLink Trust's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Trust.

Engagement with Shareholders

Principle 12:
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1:
The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

Provision 12.2:
The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3:
The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Trustee-Manager is committed to keeping Unitholders and the public fully informed of information that may have a material effect on the price or value of NetLink NBN Trust's units through timely disclosure of information to the SGX-ST via the SGXNET, to assist investors in their investment decisions. The Trustee-Manager has in place a policy on announcements which governs the timely and accurate disclosure of announcements via SGXNET.

The Trustee-Manager actively engages its stakeholders (including Unitholders, fund managers, analysts and the media) through its Investor Relations ("**IR**") department, which has a dedicated IR policy to promote regular, effective and fair communication with its Unitholders. The IR policy is committed to a two-way process to allow the Trustee-Manager to explain NetLink Group's business as well as to gather feedback. The IR policy sets out the communication tools and practices adopted by the Trustee-Manager, including the protocol for email and phone replies to investor queries. Further details of the IR policy can be found under "Investor Relations" on pages 73 to 75.

The IR team conducts roadshows together with senior Management and participates in one-on-one investor meetings, investor seminars and conferences to keep the market and investors apprised of its financial performance and corporate development. The aim of such meetings is to provide investors with prompt disclosure of relevant information, provide a better understanding of the NetLink Group's operations and financial performance, and to enable investors to make informed investment decisions, as well as to solicit and understand the views of Unitholders. Management makes available all of its briefing materials to the SGX-ST through SGXNET and via NetLink NBN Trust's corporate website at **www.netlinknbn.com**.

Investors can also contact the IR team by email at **investor@netlinknbn.com**. This email address is published on NetLink NBN Trust's corporate website. Further details of the IR activities during FY2019 can be found under "Investor Relations" on pages 73 to 75.

Managing Stakeholders Relationships

Principle 13:
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1:
The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

[19] Rule 704(24) of the Listing Rules requires that in the event that the Board decides not to declare or recommend a dividend, the company must expressly disclose the reason(s) for the decision together with the announcement of the financial statements.

Provision 13.2:
The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3:
The company maintains a current corporate website to communicate and engage with stakeholders.

The Trustee-Manager takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. A sustainability governance structure and framework was put in place to identify, engage with, and manage material environment, social and governance factors which are important to stakeholders and to the NetLink Group.

The following corporate websites are maintained to communicate and engage with stakeholders:

- **www.netlinknbn.com**
- **www.netlinktrust.com**

More information on the NetLink Group's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found under "Sustainability Report" on pages 78 to 96.

ADDITIONAL INFORMATION

DEALING IN SECURITIES

The Trustee-Manager has adopted an internal compliance Code of Best Practices on Securities Dealings to provide guidance to Directors and employees on dealing in securities of NetLink NBN Trust. For FY2019, the said Code was reviewed vis-à-vis Singapore Exchange Securities Trading Limited's guide on prevention of insider dealing, "*Handling of Confidential Information and Dealings in Securities*", and updated to:

(a) elaborate on prohibitions under the Securities and Futures Act, Chapter 289 and the Singapore Exchange Securities Trading Limited Listing Rules; and

(b) stress the importance of prohibitions against insider trading and market misconduct, and the potential civil and criminal sanctions which could result from breach of obligations.

In accordance with the Code of Best Practices on Securities Dealings, Directors and employees are prohibited from dealing in NetLink NBN Trust's securities during the period commencing two weeks before the announcement of NetLink NBN Trust's first, second and third quarter financial results and one month before the announcement of NetLink NBN Trust's full year financial results, and ending on the date of the announcement of the relevant results ("**black-out period**"). Directors and employees are required to confirm annually that they have complied with the said code and quarterly notices are issued to Directors and employees informing them not to deal in NetLink NBN Trust's securities during a black-out period. The said code also discourages dealings on short-term considerations and cautions that it is an offence to deal in NetLink NBN Trust's securities (as well as securities of other listed issuers) while in possession of unpublished price-sensitive information.

In addition, Directors are required to report to the Company Secretaries within two business days whenever they deal in NetLink NBN Trust's securities and the latter will make the necessary announcements in accordance with the requirements of SGX-ST.

MATERIAL CONTRACTS AND INTERESTED PERSON TRANSACTIONS

There are no material contracts entered into by NetLink NBN Trust or any of its subsidiaries involving the interests of the CEO, any Director, any controlling shareholder of the Trustee Manager, either subsisting or entered into for FY2019, other than:

(a) contracts as disclosed on pages 238 to 242 of the IPO Prospectus (**www.netlinknbn.com/ipo.html**); and

(b) interested person transactions as disclosed on page 169 of this Annual Report.

ENTERPRISE RISK MANAGEMENT

Our Approach

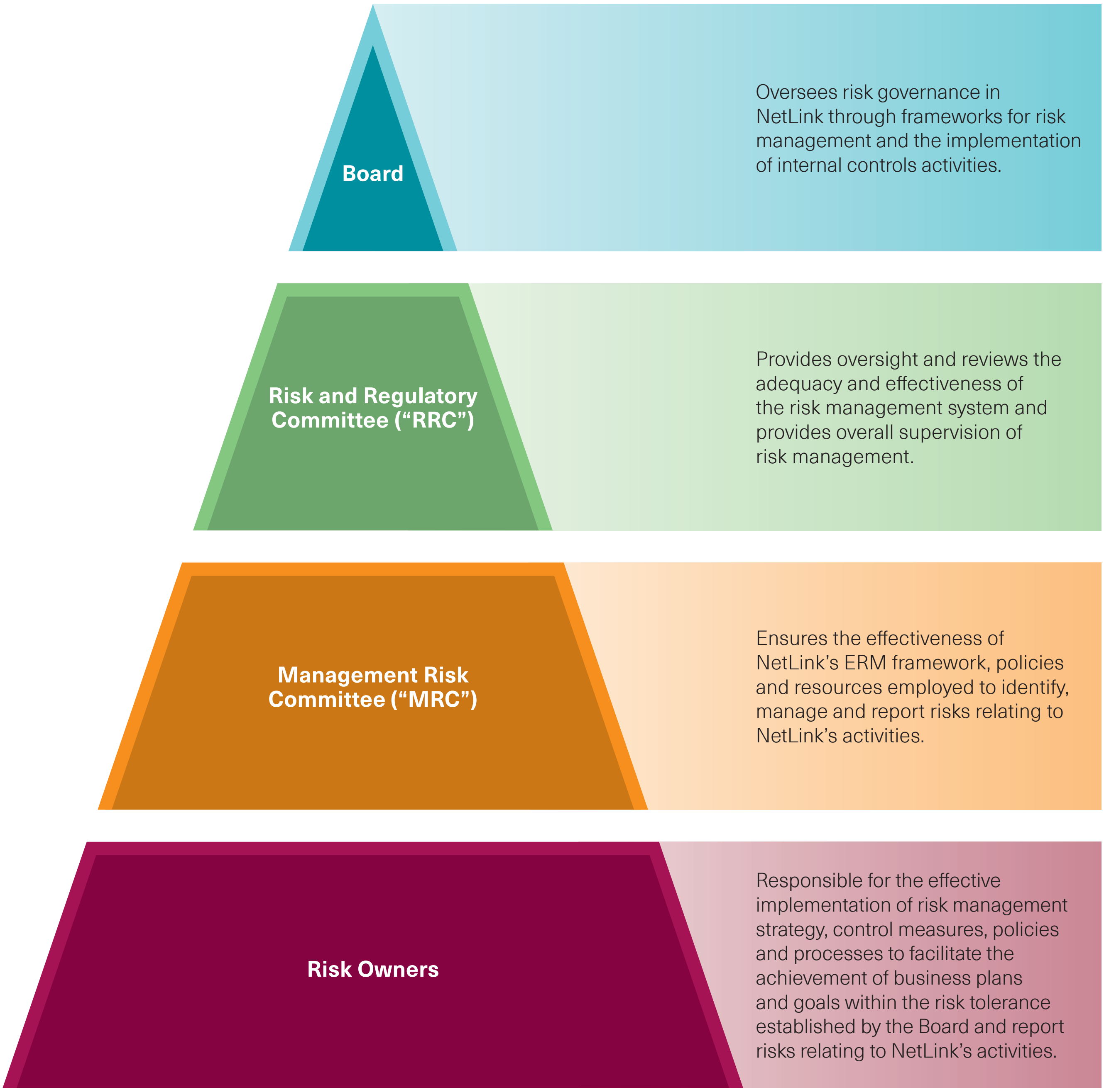
At NetLink, we strive to excel as the planner, builder, operator and long-term owner of quality infrastructure assets and provider of quality infrastructure services, adding value to our customers and achieving consistent returns. In doing so, we seek to manage potential risks associated with the execution of its business strategies and maximise any opportunities that may arise.

We recognise that risks arise in many forms and can have positive or negative impacts on our reputation, as well as compliance, operational and financial performances.

As such, we have adopted the international standard ISO 31000: 2009 Risk Management – Principles and Guidelines, with the aim of pursuing a systematic and structured approach towards the effective management of risk that will promote a more stable and informed environment for NetLink to meet its intended objectives.

We seek to achieve the following objectives through the effective management of risk:

Risk Governance Structure



ENTERPRISE RISK MANAGEMENT

Key Risks

Key risks faced by NetLink and the actions we have taken to mitigate these risks.

Key Risk	Risk Description	Risk Treatment Actions
Regulatory Compliance Risk	As a public telecommunication licensee, a listed entity and a registered business trust, NetLink is subject to regulations by the Info-communications Media Development Authority, Singapore Exchange Limited, Monetary Authority of Singapore and various other authorities. NetLink must ensure its compliance with a variety of legislation, regulations and codes of practice and could be subject to future regulatory changes and/or other Singapore government intervention.	A compliance framework had been put in place. Responsible persons had been identified for managing the applicable laws and regulatory obligations, with central reporting of compliance issues to the MRC and an escalation process to the RRC. In regards to complying with the Quality of Service ("**QoS**") performance, the action plans which we had set out to do such as topping up fibre resources and tightening the process around managing ground conditions were duly completed in 2018. We continue to have evolving plans in place to further mitigate this risk.
Critical System Failure Risk	NetLink's physical aboveground and underground fibre-related infrastructure and information technology ("**IT**") infrastructure are critical to the operational performance of NetLink.	In order to mitigate the risk of a widespread system failure, we had put in place backups and Business Continuity Plans ("**BCP**"). We have early detection control measures in place which monitors fault and failure rate such that remedial actions can be taken early. We also conduct regular maintenance on our equipments to ensure that critical systems are kept in good working condition and replaced where necessary.
IT System Implementation Risk	NetLink faces risks relating to the implementation of its new IT systems to replace the existing Operations Support System/ Business Support System ("**OSS/BSS**") system. NetLink will rely on the new IT systems for the operation of most of NetLink's activities once these systems are implemented, and any failure of the new systems could have a material adverse effect on NetLink's operations and financial performance, including, but not limited to, delays in responding to connection requests from the Requesting Licensees, delays in resolving any disruptions to NetLink's network and delays in billing and invoicing activities. Additionally, any failure of NetLink's IT systems may impact its ability to meet the QoS timeframe standards.	To ensure that the new IT system is built for purpose, we monitor and track the various stages of the project life cycle. Issues, gaps and defects are identified, documented and reviewed weekly. On a monthly basis, NetLink together with the system integrator conducts a senior level steering committee meeting to discuss project progress and critical issues.

Key Risk	Risk Description	Risk Treatment Actions
Business Continuity Risk	The provision of NetLink's services depend on people and on the quality, stability, resilience and robustness of its integrated network. The network can experience damage or cessation of operations from fire, flooding, heavy rainfall, other natural disasters, power loss, vandalism, acts of terrorism, pandemic outbreak, cyber-attacks and computer viruses, cable cuts and other events beyond NetLink's control. Any failure of or damage to NetLink's physical infrastructure could lead to significant costs and disruptions.	To minimise this risk, we have been investing in disaster recovery systems and have put in place a robust Business Continuity Management ("**BCM**") programme. Business continuity exercises are conducted regularly to familiarise stakeholders with the BCP. NetLink's BCM framework is based on ISO22301:2012 and undergoes yearly audits to maintain its certification. Annual BCP simulation exercises are conducted to ensure that all our employees are able to respond correctly and in a timely manner when the plan is activated and our operations is able to function normally. In the last BCP exercise conducted in FY19, we activated and tested the alternative work site arrangements. From the findings of the exercise, we did an immediate improvement to our network bandwidth connectivity to ensure sufficient resource for remote access. In addition, we also engaged an independent external consultant to conduct an Industry Crisis Management Plan ("**ICMP**") exercise which involved our customers, the Requesting Licensees. The regulator was also present as an observer. The purpose of the ICMP exercise is to practice the documented procedure, increase awareness of the plan among our stakeholders and prepare the involved parties for a potential disaster. During the exercise, the disaster recovery plan was also activated. Both the BCP and ICMP exercises also serve as an opportunity for the Management to continually identify areas of improvement and to enhance our capability to react to extraordinary situations.

ENTERPRISE RISK MANAGEMENT

Key Risk	Risk Description	Risk Treatment Actions
Cyber Security Risk	Cyber security threats have been increasing in recent times and are getting more sophisticated. As NetLink's businesses and operations rely heavily on information technology, NetLink is exposed to risks of cyber security threats, data privacy breaches as well as other network security and stability risks. NetLink is also reliant on a number of vendors to implement and maintain its IT systems. Any failure of these vendors to provide adequate and timely software and hardware support could have a material adverse effect on NetLink's systems. Disruptions to NetLink's IT systems, whether resulting from cyber-attacks, a failure by a key vendor or otherwise, that can cause interruptions to the network and services provided to the Requesting Licensees, may result in litigation from the Requesting Licensees or their end-users, and/or regulatory fines and penalties.	As a mitigating measure, we have established policies and frameworks and built a "defense-in-depth" security to ensure information system security and network stability. In addition, we have has been educating employees on a regular basis on cyber security awareness and to be vigilant to such threats. Due to the ever changing threat landscape, we perform continuous vulnerability scanning to mitigate vulnerabilities. There are a series of ongoing risk treatment action plans in FY20 to further enhance NetLink's defenses against cyber threats such as to replace our existing antivirus software to an advanced endpoint protection which has the capability to block advanced malware and most of the ransomware variants and fine-tune alerts in order to quickly identify abnormality of computer access. We had also embarked on the deployment of a SIEM Solution which will help in identifying and detecting the abnormality in the network and the potential intrusion. We have also mitigated our financial exposure with a more comprehensive Cyber Insurance. In FY19, we conducted a Cyber Security Incident Response exercise. This exercise involved participants from our corporate office, Information Technology and the Operations department. The purpose of the exercise was to ensure the feasibility of the existing Incident Response procedure, communication and coordination, and to identify loopholes for further enhancement. This also tests the team's level of readiness and identify future planning and process improvements.
Revenue Risk	NetLink has no direct material relationship with the end-users of the network and is largely dependent on the Requesting Licensees for marketing activities and growth in demand for the use of the network. NetLink's primary source of revenue is through the monthly recurring fee paid by the Requesting Licensees, who, in their capacity as Retail Service Providers or through arrangements with a separate Retail Service Provider, enter into commercial arrangements with residential and non-residential end-users in order to provide fibre broadband services. Accordingly, demand for use of NetLink's network, and the revenue stream resulting therefrom, is primarily dependent on the activities of the Requesting Licensees / Retail Service Providers to expand their own customer bases.	We carry out regular engagement with the Requesting Licensees to understand their requirements and to address any challenges and feedback that they may have. Internally, we monitored trends and market development on a monthly basis and is ready to undertake mitigating strategies when required.

INVESTOR RELATIONS

Over

200

investors, financial institutions and brokers met through meetings and conference calls

Covered by

14

sell-side analysts

Over

180

media articles were written about its business developments, financial performance and strategies

The Management and Investor Relations ("**IR**") team of NetLink strive to disclose all material developments relating to NetLink in a timely and transparent manner. We place importance on building good relations with our investors, analysts and general investment community in Singapore and globally. Throughout the year, the team continued to engage with various stakeholders to keep them abreast with NetLink's performance and industry developments via various communication channels.

On a quarterly basis, NetLink announces its financial results which are made available on SGXNet and on the corporate website. Management engages the analysts through a conference call following each results announcement. To ensure transparent and timely dissemination of information, all announcements released on SGXNet are made available on the corporate website. To be alerted of any new announcements, Unitholders and the public can also subscribe to the email alert service at http://netlinknbn.com/email_alerts.html.

To engage our key institutional Unitholders and to continuously grow our Unitholder base, the Management and IR team met with over 200 investors, financial institutions and brokers to discuss NetLink's business, strategy and outlook. Management participated in various investor conferences and roadshows locally and overseas, in countries such as Malaysia, the United Kingdom and the United States. These meetings conducted by way of one-on-one meetings, group briefings or teleconference, gave analysts and investors an opportunity to pose their questions to Management.

NetLink continued its partnership with Securities Investors Association Singapore ("**SIAS**") to organise a briefing for retail investors before the annual general meeting ("**AGM**"). This gave retail investors the chance to hear directly from Management about NetLink and its business. On 25 July 2018, NetLink held its inaugural AGM, this was well attended by over 400 Unitholders. The minutes of the meeting was promptly made available on NetLink's website. The minutes included questions and comments from Unitholders, including the responses provided.

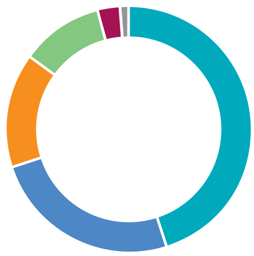
As part of our commitment to engage the retail investors, the team also actively reached out to various brokerages to give briefings to their trading representatives and private bankers. These briefings gave the respective representatives an opportunity to better understand NetLink and be better equipped to recommend NetLink to their clients.

As testament to the various outreach initiatives, NetLink is well covered by 14 sell-side analysts and included in three indices, FTSE ST Large & Mid Cap Index, FTSE Singapore Shariah Index and MSCI Global Small Cap – Singapore Index.

In addition to direct interaction with international institutional investors and retail investors, NetLink also sought to increase its investor outreach efforts through media engagement. Over 180 media articles were written about its business developments, financial performance and strategies. NetLink NBN Trust was also frequently mentioned in the media as one of Singapore's recommended top pick stocks.

INVESTOR RELATIONS

Ownership by Geography
As at 31 March 2019



Singapore (ex Singtel)	45.2%
Singtel	24.8%
Rest of World	15.0%
USA	11.0%
UK	3.0%
Hong Kong	1.0%

NetLink's Unitholder base has also grown to 27,597 Unitholders as at 31 March 2019. Of NetLink NBN Trust's free float of approximately 75%, about 37% were held by institutional investors from various financial markets and corporate investors, and approximately 38% were held by retail and private investors. The top three geographical regions where investors are from include: Singapore, the United States of America and the United Kingdom.

As at 31 March 2019, market capitalisation was approximately S$3.2 billion, based on the closing price of S$0.830. The average unit price for the period was S$0.785, hitting a high of S$0.830 on 28 March 2019 and a low of S$0.735 on 5 July 2018. Average daily trading volume during this period was 5,692,766.

INVESTOR RELATIONS CALENDAR FY19

Date	Event	Location
4 & 5 April 2018	DBS Non-deal Roadshow	Malaysia
15 May 2018	Analysts' Results Briefing For Full Year Financial Results for the period ended 31 March 2018	Singapore
16 May 2018	dbAccess Asia Conference 2018	Singapore
22 & 23 May 2018	SGX – DBSV Singapore Corporate Day	United States
9 July 2018	SIAS Pre-AGM briefing	Singapore
25 July 2018	Annual General Meeting	Singapore
6 August 2018	Analysts' Results Briefing For Q1 Financial Results for the period ended 30 June 2018	Singapore
10 August 2018	Briefing to Maybank Kim Eng Trading Representatives	Singapore
15 & 16 August 2018	SGX-Maybank Kim Eng Singapore Corporate Day	Malaysia
20 September 2018	Citi-SGX New Listings & High-Growth Corporate Day	Singapore
24 to 26 September 2018	DBS Non-deal Roadshow	United Kingdom
5 November 2018	Analysts' Results Briefing For Q2 Financial Results for the period ended 30 September 2018	Singapore
7 November 2018	Briefing to Bank of Singapore Investment Counsellors	Singapore
9 November 2018	Briefing to OCBC Trading Representatives	Singapore
28 November 2018	Aglaia Family Office Annual Conference	Singapore
28 to 30 November 2018	Morgan Stanley 17th Annual Asia Pacific Summit	Singapore
8 January 2019	DBS Pulse of Asia Conference	Singapore
13 February 2019	Analysts' Results Briefing For Q3 Financial Results for the period ended 31 December 2018	Singapore
15 February 2019	Briefing to UOB Private Bankers	Singapore
22 February 2019	Briefing to UOB Trading Representatives	Singapore
25 February 2019	Briefing to Lim & Tan Securities Trading Representatives	Singapore
21 March 2019	SGX Corporate Connect Seminar	Singapore

ENHANCING COMMUNICATION PLATFORMS

Given its broad Unitholder base comprising institutional investors from various financial markets globally and retail investors, NetLink adopted new media platforms, to enhance communication and extend its reach to investors around the world. Besides maintaining and updating its investor relations website, NetLink also optimised its website to be responsive to mobile devices to cater to the needs of investors using mobile phones and tablets to access information.

NetLink NBN Trust's website is designed as an easy-to-use tool to reinforce NetLink's efforts to provide useful information to investors in a timely manner. All disclosures submitted to the Singapore Exchange are made available on its website where investors can find comprehensive information about NetLink NBN Trust, including SGXNet announcements, news releases, annual reports and minutes of the annual general meeting.

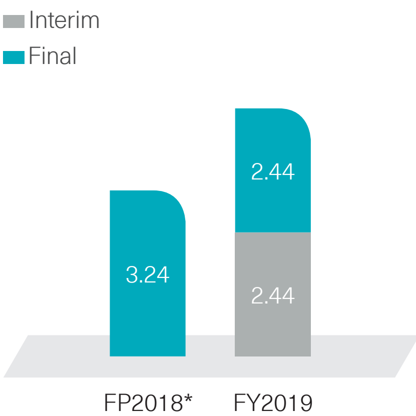
DISTRIBUTION POLICY

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

NetLink NBN 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 NetLink NBN Trust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required.

Distributions by NetLink NBN 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.

Distribution Per Unit
(Singapore cents per Unit)



* For the financial period from 19 June 2017 (date of constitution) to 31 March 2018. 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 NetLink NBN Trust was listed.

CORPORATE SOCIAL RESPONSIBILITY

Creating Values through Corporate Social Responsibility

At NetLink, Corporate Social Responsibility ("**CSR**") has moved beyond sponsorships and donations, initiatives were aimed at improving the quality of life of beneficiaries, and at the same time, creating a positive impact in the community we operate in. Guided by three principles, i) Bridging gaps through knowledge sharing, ii) Investing in our Youths, our Future, and iii) Empowering the hearts of our own, NetLink continued to demonstrate its commitment to the community through various activities.

Over the year, we continued to engage our staff through various CSR activities that would add meaning to our staff and bring joy to the less privileged. This year also saw more employees stepping up to volunteer their time and effort in the various activities planned, which was further encouraged by the keen participation of Senior Management. Through participating in the various activities, staff were also able to foster closer bonds with one another.

Bridging Gaps through Knowledge Sharing

(a) Silver IT Fest

In the nature of our business, we advocate digital readiness and savviness especially in this (digital) era characterised by technology. In the fourth year of participation, NetLink continued to support the Silver IT Fest organised by the Info-communications Media Development Authority ("**IMDA**") through volunteering as guiders at the mass training to help elderly participants in their digital learning journey. NetLink will continue to support this initiative to ensure that the elderly are not left out in this digital era. This commitment was further strengthened through the signing of IMDA's Digital Participation Pledge on 5 December 2018.

Investing in Our Youths, Our Future

(a) Design Thinking for Youths

In an effort to nurture the next generation, NetLink organised a Design Thinking workshop for 20 young beneficiaries of TOUCH Young Arrows.

This workshop gave beneficiaries an opportunity to enhance their thinking skills by learning how to think clearly and quickly in a fast-changing world that places increasing demands on flexible thinking skills, through solving different topics surrounding the theme of Smart Living and issues affecting Singapore. At the end of the workshop, everyone was treated to lunch and each beneficiary was presented with a Popular Bookstore voucher to help them with their education essentials.

1

Empowering the Hearts of Our Own

We place importance in our staff connecting with the community beyond their daily job scope. By participating in activities that gives back to society, we empower the hearts of staff so they can empower the hearts of the community. During the year, NetLink participated in three activities that gave back to the community at large.

1 The Giving Family Festival - Run & Raisin'
2 Design Thinking workshop
3 Soup Kitchen
4 SGX Bull Charge

2

3

4

(a) The Giving Family Festival – Run & Raisin'

An initiative by TOUCH Community Services, The Giving Family Festival celebrated the spirit of giving back as One Community. This festival serves to benefit various groups of people as the, youth-at-risk, vulnerable families, people with special needs and disadvantaged seniors. Majority of the volunteers participated as game or run marshalls while the rest were stationed along the run route to distribute water.

(b) Soup Kitchen

In another new initiative to empower hearts, we volunteered at the Soup Kitchen by Willing Hearts. Working in the kitchen might have been a refreshing experience for some employees when they helped in the food preparation - chopping up vegetables, seasoning meats and washing up. Beneficiaries of the Soup Kitchen include the elderly, the disabled, low-income families, and children from single parent families. The joy of cooking for the needy is definitely no lesser than the joy derived from cooking for a loved one.

(c) SGX Bull Charge

Besides making a donation, 53 staff participated in the SGX Bull Charge 5km charity run. Our support had gone towards providing care and assistance to the children and families, persons with disabilities and the elderly, more importantly, helping the beneficiaries lead a more positive, meaningful and comfortable life.

Though relatively new to CSR, NetLink had stepped up its initiatives to give back to the community, increasing our volunteered man-hours to 879 hours from 333 hours last year. In a further effort to help Singapore become digitally ready, NetLink had been partnering with IMDA to sponsor the Home Access Programme which provides eligible low-income households with two years of subsidised fibre broadband connectivity. In the year ahead, we will continue to contribute back to the community and increase our visibility through meaningful and engaging volunteering opportunities.

SUSTAINABILITY REPORT

Board Statement

We are pleased to present our inaugural Sustainability Report (the "**Report**") for NetLink NBN Trust and its subsidiaries ("**NetLink**"). Our Report encapsulates our key environmental, social and governance ("**ESG**") performance for the financial year ended 31 March 2019 ("**FY19**").

NetLink supports Singapore's vision of transforming into a Smart Nation through building a network infrastructure that anticipates Singapore's growing needs. The Board of Directors (the "**Board**") recognises the importance of managing ESG risks and opportunities in achieving our strategic objectives. Sound ESG management helps to enhance our operational efficiency and strengthen our resilience in the changing face of economy and technology.

The Board is supported by the Sustainability Steering Committee ("**SSC**"), which comprises the C-suite management. Together, the Board and the SSC ensure that NetLink's sustainability efforts are aligned to the long-term business strategy. We determined the material ESG risks and opportunities to be prioritised and managed. Through the SSC, the Board oversees the management and monitoring of the ESG factors to ensure that NetLink responds effectively to the market trends and stakeholder expectations.

The Board is committed to leading NetLink in making progress in our sustainability performance to create long-term value for all our stakeholders.

Yours sincerely,
Board of Directors

About This Report

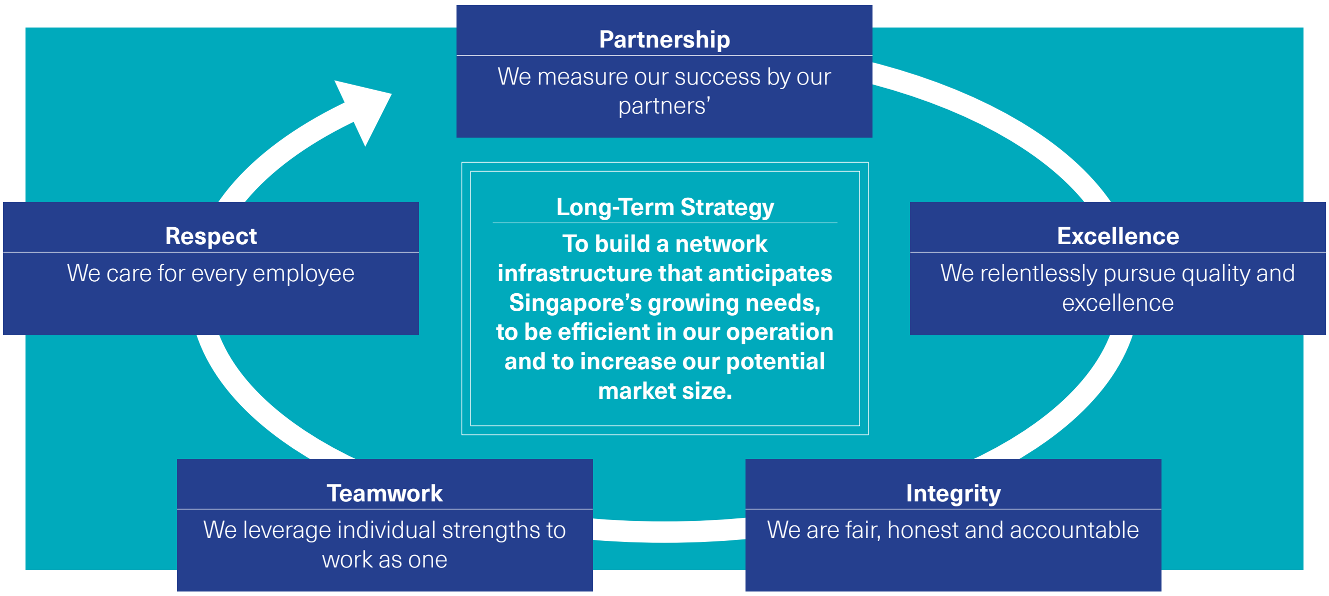
The Report covers NetLink's sustainability approach, initiatives and performance for the financial year ended 31 March 2019. The information and data reported within the Report are in relation to NetLink's operations.

The Report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards Core option, SGX-ST Listing Manual (Rules 711A and 711B) and Code of Corporate Governance 2018 principle 13. NetLink has chosen to adopt the GRI Standards as it is a globally recognised reporting framework which provides useful guidance to NetLink on sustainability reporting.

The Report, together with the Annual Report, aim to provide comprehensive and transparent reporting of the Group's overall objectives and performance to NetLink's stakeholders. NetLink welcomes feedback on the Report and its sustainability performance. Please address all feedback to investor@netlinknbn.com.

NetLink's Sustainability Approach

NetLink takes a strategic and pragmatic approach to sustainability through identifying, managing and monitoring its sustainability risks and opportunities which supports its long-term strategy. By integrating sustainability into its daily operations and having robust policies and practices in place, NetLink is able to monitor and continually improve the performance of its key sustainability issues. To create sustainable value for all stakeholders, NetLink engages its stakeholders to understand their long-term interests and considers the impact of its decisions and actions to the industry, society and the environment. The core values of Partnership, Excellence, Integrity, Teamwork and Respect underpin NetLink's sustainability approach. These will continue to provide guidance to NetLink to sustain its overall performance.



Sustainability Governance

A robust sustainability governance structure led by the Board, was formally set up to effectively manage NetLink's approach towards sustainability. The Board is responsible for overseeing the management and monitoring of the material ESG issues. The SSC, which consists of the C-Suite management, demonstrates commitment and leadership from the top. The SSC drives the sustainability strategies, develops policies and practices and manages the overall sustainability performance. The SSC reports directly to the Board and is supported by senior management representatives across the business functions to implement the sustainability policies and practices.

SUSTAINABILITY REPORT

Materiality Assessment and Stakeholder Engagement

Guided by the GRI Materiality Principles, NetLink undertook a three-step materiality assessment process to identify the ESG factors that are material to both the business and its stakeholders. NetLink engaged an external consultant to facilitate the process. The materiality process activities and results are summarised in the diagram below.

(i) Identify Material ESG Factors

Background Research
Conducted background research on global trends, peers' disclosures

Online Questionnaires
Conducted online questionnaires with both internal and external stakeholders to understand their concerns

Identified 24 potential material ESG factors

(ii) Prioritise Material ESG Factors

Identified ESG factors that are of priority to the business and stakeholders

Prioritised 9 material ESG factors for disclosure

(iii) Validate Material ESG Factors

Sought approval from the Board

Validated 9 material ESG factors for disclosure

Results - Top Material ESG Factors

Our Business Practices
1. Economic performance[1]
2. Connecting the nation
3. Infrastructure, quality and reliability of network
4. Governance and transparency[1]
5. Compliance with laws and regulations

Our People
6. Talent retention
7. Diversity and equal opportunity
8. Occupational health and safety

Our Environmental Impacts
9. Waste management

NetLink has ongoing engagement with its stakeholders to understand the concerns and priorities that the stakeholders have. Regular engagement allows NetLink to identify any shifts in stakeholder priorities and emerging areas of concern and address them in a timely manner.

NetLink has identified the stakeholder groups which have the most significant impact on NetLink's success and in-turn, most significantly impacted by NetLink's business activities.

[1] Economic Performance and Governance and Transparency are disclosed in the Annual Report. Please refer to the Business Review and Financial Statements for Economic Performance (pages 22 to 31 and 98 to 163) and Corporate Governance Report for Governance and Transparency (pages 38 to 67)

The table below summarises NetLink's engagement methods with its material stakeholders and their key topics of concern.

Material Stakeholders	Key Topics of Concern	Engagement Methods	Frequency
Unitholders/ Analysts	• Business and operations performance • Business strategy and outlook • Regulatory Pricing Framework and Determination	• Release of financial results and announcements, press releases and other required disclosures through SGXNet and NetLink's website • Meetings and calls with analysts • Investor conferences / roadshows • SGX Corporate Connect Seminar • Annual General Meeting	• Throughout the year • Throughout the year • Throughout the year • Annually • Annually
Lenders	• Business and operations performance • Business strategy and outlook	• Announcements and press releases • Meetings with lenders	• Throughout the year • As and when needed
Customers	• Reliability and quality of infrastructure • Ability to meet the infrastructure demand • Sourcing and operations in the value chain	• Customer survey • Regular meetings with customers to understand the projected demand	• Annually • Throughout the year
Contractors/ Suppliers	• Business performance • Occupational health and safety	• Regular meetings with contractors and suppliers	• Throughout the year
Employees	• Compensation and benefits • Career development • Employee wellbeing • Occupational health and safety	• Induction for new employees • Performance appraisals • Staff activities that promote wellbeing • Training and awareness programmes • Employee engagement survey	• Upon joining the Company • Twice a year • Throughout the year • Throughout the year • Once every 2 years
Local communities	• Contribution to and engagement with the local community	• Contribute at community events through volunteering and corporate donations	• Throughout the year
Government and regulators	• Compliance with laws and regulations	• Ongoing communication and consultation with the relevant authorities	• Throughout the year

SUSTAINABILITY REPORT

Key Highlights FY19

CONNECTING THE NATION

Singapore attained

top spot

globally for fixed broadband speeds in Ookla's Speedtest Global Index

INFRASTRUCTURE, QUALITY AND RELIABILITY OF NETWORK

Achieved network availability rate of

99.99%

COMPLIANCE WITH LAWS AND REGULATIONS

Maintained

zero

confirmed incidents of corruption

TALENT RETENTION

Recorded employee turnover rate

marginally lower

than industry norm

Achieved

671

learning hours during the inaugural Netlink Trust Learning Week 2018

DIVERSITY AND EQUAL OPPORTUNITY

Recorded

zero

incidents of discrimination during the year

OCCUPATIONAL HEALTH AND SAFETY

Recorded

zero

workplace related injuries and fatalities

WASTE MANAGEMENT

Generated and disposed average of

0.92%

of fibre scrap against total fibre cable issued

Our Business Practices

Connecting the Nation

NetLink's extensive network infrastructure catalyses Singapore to grow and remain competitive in the ongoing digital revolution. At the same time, it enables all segments of the society to harness the benefits of digital technologies.

Singapore ranks highly in broadband connection speeds globally of which majority of the connection is delivered by NetLink's network. The network infrastructure allows the widespread adoption of high speed broadband services by consumers and enterprises by enabling competitive offerings from Internet Service Providers. The network infrastructure injects vibrancy in fibre service offerings through competitive fibre connectivity costs. Apart from that, the network infrastructure enables a culture of innovation and experimentation and encourages organisations to explore the digital economy.

NetLink carries out various initiatives to enhance its network coverage and capacity to support its customers' demands. The initiatives include:

- Engaging with the relevant government agencies to better understand its Smart Nation initiatives and deployment plans, and to align our fibre network rollouts to support these plans
- Monitoring of residential, non-residential and Non-Building Address Point ("**NBAP**") connections with capacity top up plans to ensure the availability of fibre to meet demands from all these segments

CONTRIBUTING TO SINGAPORE'S SMART NATION INITIATIVE

NetLink contributed to the Smart Nation initiative and played a role in supporting the government's effort in improving the competitive telecommunications landscape in Singapore.

Currently, NetLink is supporting RLs to provide bandwidth services to indoor and outdoor locations to government agencies.

- Anticipating the demand from Requesting Licensees' ("**RLs**") campaigns to acquire residential and non-residential customers
- Allocating the necessary resources to allow fibre to be deployed to the Main Distribution Frame Room for Non-Residential dwellings and to the Fibre Distribution Point on every floor of the building of Residential dwellings
- Providing the infrastructure needed to support the Smart Nation initiatives and the development of Punggol Digital District and Jurong Innovation District
- Supporting the backhaul for the mobile network rollout of the fourth telco in Singapore
- Monitoring the development of 5G network in Singapore and exploring the opportunities associated with the new technology.

Performance in FY19

Number of connections: Residential

Homes Passed:
1,506,900

Homes Reached:
1,381,100

End Users:
1,327,732

Number of connections: Non- residential

Buildings Reached:
32,770

End Users:
46,207

Number of connections: NBAP

NBAP:
1,587

Global Ranking for Average Download Speed

Singapore is ranked **No. 1** for fixed broadband speed globally. Singapore's average download speed is three times the global average, surpassing 132 countries in the Ookla's Speedtest Global Index[2]

Target for FY20

NetLink will build a network infrastructure that anticipates Singapore's growing needs in the coming year.

[2] Based on newspaper article published on 13 Aug 2018 (https://www.todayonline.com/singapore/singapore-retains-top-spot-globally-fixed-broadband-speeds-lags-mobile)

SUSTAINABILITY REPORT

Infrastructure, Quality and Reliability of Network

As a network provider, quality and reliability are critical elements in supporting the Smart Nation agenda and maintaining NetLink's reputation and customer satisfaction rate.

In FY19, NetLink's network availability was 99.99%[3]. The achievement is a result of the various maintenance regimes established within the business. NetLink invests in cutting edge test equipment and fibre monitoring system to monitor the health of the network. Faults reported by the RLs are automatically flowed through and despatched by the workforce management system to our field engineers, reducing the response time. All faults are managed, rectified and analysed to determine the root causes and necessary corrective actions. The faults are recorded to track the fault rates and network availability rates.

NetLink also has a maintenance programme to ensure that critical systems are kept in good working condition. Regular inspection on its equipment are conducted by NetLink's employees and/or its contractors. Repairs or rectifications, if required, are acted upon in a timely fashion. NetLink also plans for timely replacement of critical systems.

To mitigate the risk of a widespread system failure, NetLink has put in place a robust Business Continuity Management ("**BCM**") programme. Business continuity exercises are conducted regularly to familiarise stakeholders with the BCM programme.

Pursuant to a regulatory requirement, a capital expenditure reserve fund amounting to an aggregate of S$40 million will be set up over a five-year period from 2018 to 2022. This capex reserve will be used to meet regulatory requirements from the Info-communications Media Development Authority ("**IMDA**") or for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink's network infrastructure.

Performance in FY19

Network Availability

99.99%

Target for FY20

NetLink will continue to make investments in network infrastructure to ensure long-term reliability, quality and availability of network so as to enhance its customer experience.

[3] Network availability (%) = [1- (Downtime/ Total Time)] x 100%, based on the assumption that faults exclude incidents which are not within the NetLink's control, such as our cables cut by third party contractors not engaged by NetLink

Compliance with Laws and Regulations

High standards of ethics and compliance with the relevant social and economic regulations are key to NetLink's business performance as it operates in a highly regulated environment.

To ensure compliance with external laws and regulations, a compliance framework has been put in place. Responsible persons have been identified for managing the applicable laws and regulatory obligations, with central reporting of compliance issues to the Management Risk Committee ("**MRC**") and escalating major issues to the Risk & Regulatory Committee ("**RRC**").

Employees are required to undergo training and communication sessions to increase their awareness and keep up-to-date on new or revisions to laws and regulations, where applicable.

In FY19, NetLink paid a total of $70,000 in fines imposed by IMDA for not meeting the Quality of Service ("**QoS**") standards. The fines imposed do not have any material impact on the net tangible asset per unit and distribution unit of the NetLink NBN Trust for the financial year ended 31 March 2019. The fines paid were substantially reduced compared to a year ago due to QoS performance improvement initiatives implemented by NetLink. More information on the QoS standards can be found on page 25 in the annual report.

Anti-Corruption

NetLink adopts a zero tolerance policy on fraud and corruption. Various policies have been established to guide its business conduct. The policies include:

- Anti-bribery and Corruption Policy
- Employees' Code of Conduct
- Gift, Prize, Entertainment and Hospitality (Accepting & Giving) Policy
- Whistle-blowing Policy
- Corporate Donation and Sponsorship Policy

The policies prescribe the processes and procedures to minimise and manage the risks of unethical behaviour. For example, the Code of Conduct sets out the principles to guide employees in carrying out their responsibilities to the highest standards of personal and corporate integrity. The Whistle-blowing Policy enables any employees or external parties who have dealings with NetLink to raise concerns in good faith about any perceived irregularity or misconduct within NetLink, without fear of retaliation.

Initiatives such as communicating with employees during townhalls, conducting online quizzes and displaying posters were carried out during the year to raise employees' awareness on NetLink's zero tolerance policy on bribery and corruption.

NetLink requires its employees to declare their compliance to the Code of Conduct annually and head of departments are required to declare their compliance with laws and regulations related to their job scopes every quarter.

Performance in FY19

Anti-corruption

Maintained **zero** incidents of corruption

Target for FY20

NetLink aims to uphold and adhere to zero tolerance policy towards fraud, corruption and unethical actions. NetLink will continue to conduct business in a responsible and ethical manner, in compliance with all applicable laws and regulations.

SUSTAINABILITY REPORT

Our People

Talent Retention

NetLink equips employees with the right skills and work experiences to develop a dynamic and competent workforce. This is important for the business to stay ahead in a rapidly changing business landscape.

NetLink places great emphasis on attracting, retaining and developing talent. NetLink has a set of Human Resource ("**HR**") strategies, policies and practices in place such as market competitive remuneration packages, talent development and education assistance programmes, performance appraisals, employee engagement survey and employee wellbeing programmes.

Talent attraction and retention

NetLink's Recruitment Guidelines serve to provide an overarching approach for the HR department to advertise vacancies, screen and interview candidates and prepare offer packages to shortlisted candidates. NetLink participates in annual market surveys and engages external consultancy services to ensure that our remuneration and benefits packages are competitive.

As at 31 March 2019, NetLink had 355 permanent and contract employees and 13 interns/temporary employees.

In FY19, the hiring rate was 15.5% and the turnover rate was 13.5%. According to a market survey of turnover rate conducted by NetLink's external consultant, the turnover rate in the High Tech industry in Singapore was 13.6%. NetLink's turnover rate was marginally lower than the industry norm.

Learning and Development

NetLink actively encourages its employees to enhance their professional skillsets, leadership and management competencies through learning and development programmes.

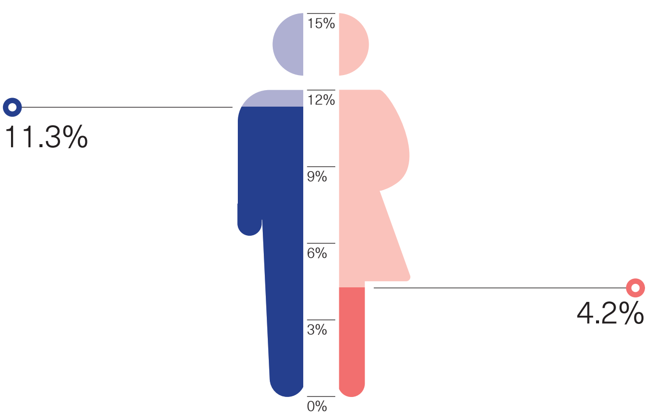
The total learning hours achieved was 11,095 hours which averaged to 31.3 learning hours achieved per employee in FY19.

In 2018, NetLink introduced the NetLink Trust Learning Week. The inaugural week long programme focused on

FY19 New Hires

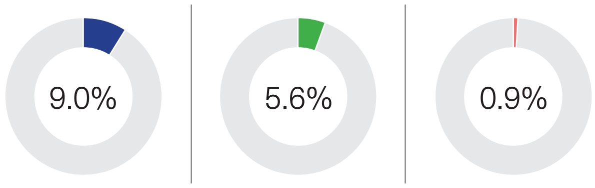
By Gender

Male	Female
40	15



By Age Group

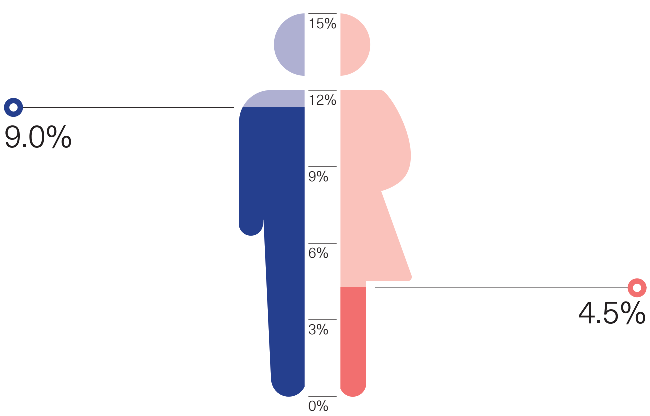
<30 years old	30 - 50 years old	>50 years old
32	20	3



FY19 Turnover

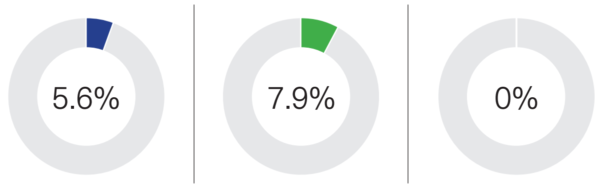
By Gender

Male	Female
32	16



By Age Group

<30 years old	30 - 50 years old	>50 years old
20	28	0



self-development and general wellness topics. Employees were engaged through a range of interesting talks and workshops to promote the importance of self-development and learning. The learning week achieved a total of 671 learning hours.

Apart from internal training, NetLink provides assistance to eligible employees who are interested in pursuing further education to enhance and progress their careers within NetLink through its Education Assistance Programme. It recognises the mutual benefits from an employee's personal growth and increased work competence.

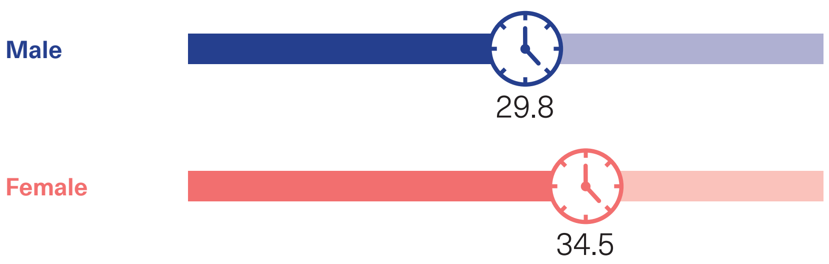
NetLink continuously strengthens its culture of trust through employee engagement and feedback. Performance appraisals are conducted twice a year to discuss job performance, improvement / training requirements, and development opportunities for employees to progress in their careers. Employee engagement survey and townhall sessions are conducted to provide employees with a communication platform to provide feedback to management.

Employees' Well-being
NetLink recognises the importance of employee well-being in creating a productive and happy workforce.

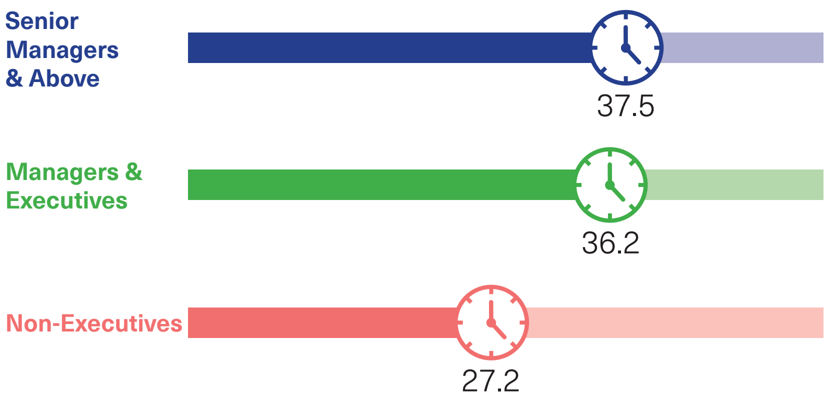
NetLink cares for the employees by organising social activities such as company-wide team building activities, department bonding sessions, and Company Dinner and Dance to build a sense of belonging and foster a collaborative and cohesive working environment for the employees.

FY19 Average Training Hours

By Gender



By Employee Category



Performance in FY19

Turnover Rate

Achieved turnover rate of **13.5%**, marginally lower than the High Tech industry norm of 13.6%

Average Learning Hours

Recorded **31.3** average learning hours per employee per year

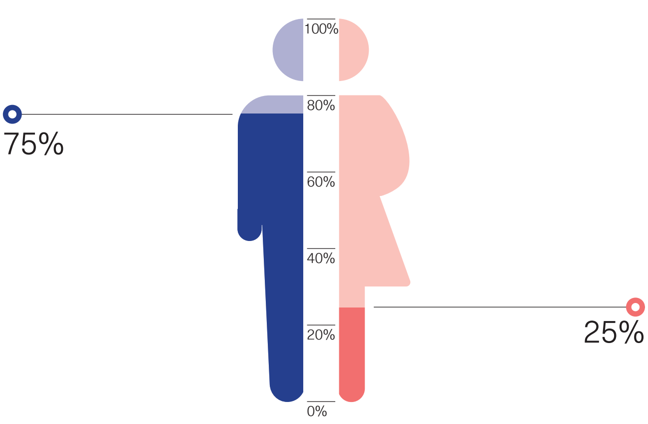
Target for FY20
NetLink targets to achieve an annual employee turnover rate lower than industry norm and to continue to invest in learning and developing its people to build knowledge, skills and internal capabilities in the forthcoming year.

SUSTAINABILITY REPORT

FY19 Board Diversity

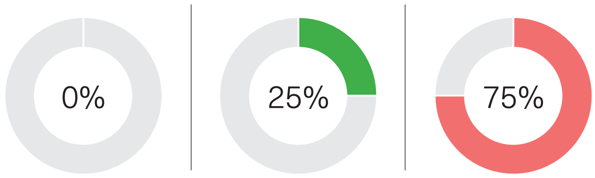
By Gender

Male	Female
6	2



By Age Group

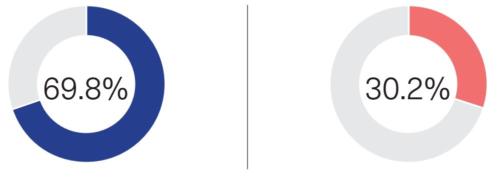
<30 years old	30 - 50 years old	>50 years old
0	2	6



FY19 Employee Profile - Gender

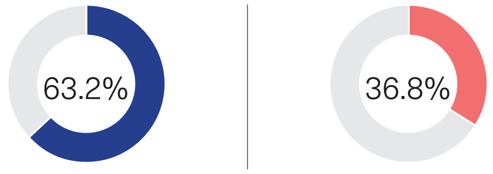
Senior Managers & Above

Male	Female
44	19



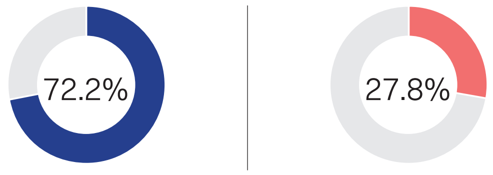
Managers & Executives

Male	Female
55	32



Non-Executives

Male	Female
148	57



Diversity and Equal Opportunity

A diverse workforce fosters innovation and encourages growth and inclusivity, all of which positively contribute to the business performance and culture.

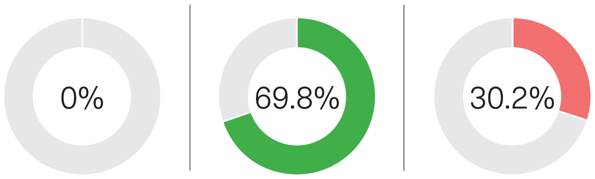
The Board comprises eight members who have various backgrounds, experiences and viewpoints as a reflection of its diversity. Two of the Board members are female. The ages of all Board members range from forties to sixties.

At the employee level, 247 employees are males and 108 employees are females which translate to a ratio of 70% male and 30% female of the total workforce. Females constitute approximately 28% to 37% of the total headcount within the three employee categories (i.e. “Senior Managers & Above”, “Managers & Executives”, “Non-Executives”) in NetLink.
The majority of the employees are in the 30-50 years old age groups, representing 63% of the workforce.

FY19 Employee Profile - Age Group

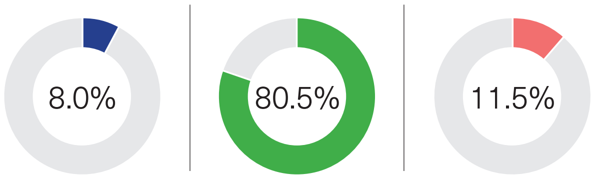
Senior Managers & Above

<30 years old	30 - 50 years old	>50 years old
0	44	19



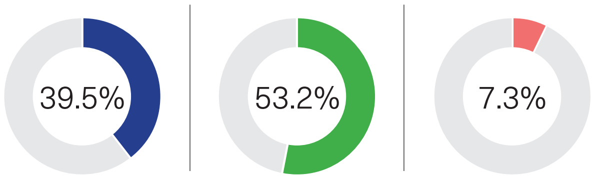
Managers & Executives

<30 years old	30 - 50 years old	>50 years old
7	70	10



Non-Executives

<30 years old	30 - 50 years old	>50 years old
81	109	15



Performance in FY19

Employee Diversity

Spread out across all age groups and genders

Incidents of Discrimination

Recorded **zero** incidents of discrimination

Target for FY20
NetLink targets to continue maintaining a diverse and inclusive workforce and providing fair opportunities to employees based on merit. In addition, NetLink will maintain no incidents of discrimination in the organisation.

Non-Discrimination
NetLink is committed to provide equal access to employment and career opportunities and to recruit on the basis of merit. Our policies and practices are aligned towards this objective.

NetLink has also signed a Collective Agreement with the Union of Telecoms Employees of Singapore ("**UTES**") to ensure that the interests and wellbeing of its employees are met. As at 31 March 2019, there were 74 bargainable employees covered by this Collective Agreement, which represents 29% of the eligible employees.

As a result of our commitment, NetLink is pleased to report that there were no incidents of discrimination in FY19.

SUSTAINABILITY REPORT

Occupational Health and Safety

NetLink creates a healthy and safe workplace through incorporating robust internal risk and process controls which contributes to an improved workforce safety performance and culture.

Health and Safety Management

NetLink takes a holistic approach to build a strong health and safety culture such as setting up a health and safety committee, conducting training and monitoring NetLink's health and safety performance.

In compliance with the Workplace Safety and Health Act, NetLink established an Occupational Health and Safety ("**OHS**") Committee. The OHS Committee maintains and manages the OHS Management System ("**OHSMS**") to achieve its objective of creating a safe place to work. The OHS Committee conducts annual reviews of the OHSMS which takes into consideration the health and safety performance, progress towards the objectives and targets, audit findings and outcomes from participation and consultation sessions.

NetLink is committed to ensure that all its business activities are conducted safely, the health of its employees, contractors, customers and the public are protected and the environmental impacts resulting from its activities are within national standards. The OHSMS Manual cover all of NetLink's workplaces and apply to all employees. The documents are made available in the intranet for all employees to access. NetLink also successfully attained OHSAS 18001: 2007, SS506: Part 1: 2009 and bizSafe Star certifications.

Health and Safety Procedures and Controls

Internal control processes and procedures have been set up to identify hazards, assess risks, determine controls and report and investigate incidents. These processes and procedures provide systematic and documented operating procedures which apply to all operations across the business. Procedures such as the Hazard Identification, Risk Assessment and Determining Controls Procedure and Incident Investigation Procedure guide employees to undertake the necessary control measures to prevent or eliminate hazards and report and investigate incidents. The procedures are reviewed and updated at least once every three years, or when required.

Health and Safety Awareness

Health and safety trainings are provided to enhance the competency and awareness amongst NetLink's employees. Briefings on the OHSMS Manual and emergency response plans are conducted for all new employees. The department heads together with HSSE Officer and HR are responsible to determine the necessary training for employees based on their work responsibilities, abilities, language skills and literacy, and risks. Employees are evaluated to determine their competency in meeting the safety standards or safe work practices. Employees that do not meet the standards are required to undergo retraining. The HR department tracks and monitors the training records of all employees. Posters with safety messages are put up or communicated through email to NetLink's employees to further enhance their awareness.

A healthy and energetic workforce is key to improving NetLink's employees' work-life quality and productivity. Employees are offered insurance programme for medical and healthcare services and permanent employees are provided access to health screening every two years. NetLink further extends its care for the wellbeing of its employees by conducting monthly fruits day and organising sports activities through the Recreation Club.

MANAGING HEALTH, SAFETY AND ENVIRONMENTAL CONCERNS ALONG THE SUPPLY CHAIN

NetLink outsources certain services to contractors and engages with various suppliers to deliver its services. The main types of contractors and suppliers engaged include installation contractors, outside plant contractors and fibre cable suppliers. The contractors cover works within mainland Singapore and its connected islands and NetLink maintains multiple suppliers for all its major network materials. These contractors and suppliers had been carefully selected through tender processes and have passed NetLink's comprehensive screening process.

NetLink takes interest in the health and safety of its suppliers and contractors. All existing service contractors are required to have at least a bizSafe 3 certification and their health and safety performance will be assessed prior to appointment.

Monitoring Contractor Performance

NetLink sets up controls to manage and minimise risks for contractors whose work are exposed to high safety and environmental risks.
The controls require the contractors to:

- Comply with all applicable laws and regulations such as the Workplace Safety and Health (Confined Spaces) Regulations 2009 and Workplace Safety and Health (Work at Heights) Regulations 2013
- Attend the necessary safety courses and provide adequate safety equipment to the workers
- Have full-time site supervisors with relevant certifications
- Take full responsibility for the safety of all site operations and methods of construction
- Minimise impacts to the environment such as removing debris from construction sites and sealing keyholes of manhole covers to prevent the breeding of mosquitoes.

NetLink's HSSE officer conducts random spot checks to ensure that the contractors comply with the requirements. Findings from the spot checks are reported and shared with the contractors. The HSSE officer will conduct follow up inspections to ensure that the findings have been rectified.

Performance in FY19

Workplace Injuries

Recorded **zero** workplace related injuries

Workplace Fatalities

Recorded **zero** workplace fatalities

Management System Certifications

- bizSafe Star certified
- OHSAS 18001: 2007 certified
- SS506: Part 1: 2009 certified

Target for FY20

NetLink endeavours to maintain its performance of zero workplace injuries and zero fatalities in the coming year.

SUSTAINABILITY REPORT

Our Environmental Impacts

Waste Management

NetLink takes proactive measures to minimise its environmental impacts as it expands the business and network infrastructure.

Being the owner and operator of the nationwide fibre network that provides the underlying infrastructure for the Next Generation Nationwide Broadband ("**Next Gen NBN**"), the main type of waste produced by NetLink's operations is fibre waste. The two contributors to fibre waste are (1) fibre scraps and (2) recovered fibres through cable diversion.

During a fibre installation, NetLink calculates the amount of fibre cable to be issued to contractors to prevent wastage. After the installation, the contractors will return excess fibre cables to the warehouse. Where possible, these excess cables are reused for other installation works. However, if the excess fibre cables are too short to be reused, these termed as "fibre scraps" will be disposed.

Where cable diversion is required, for example due to road works or buildings to be demolished, NetLink will recover the previously laid fibre cables and lay new ones. These recovered fibre cables cannot be reused and will be disposed.

All fibre waste will be disposed through a National Environment Agency approved facility for incineration by NetLink's appointed certified waste vendor. The ashes are sent to the landfill by the incinerator contractor.

Performance in FY19

Total Fibre Waste Disposed

266.4 tonnes of fibre waste was disposed

Percentage of Fibre Scrap Generated and Disposed in Proportion to Total Fibre Cable Issued

0.92% of fibre scrap against total fibre cable issued

Compliance with the Relevant Laws and Regulations

Zero incidents of non-compliance with the relevant laws and regulations on waste disposal practices

Target for FY20

NetLink targets to keep fibre scrap within 2.5% of the total fibre cable issued for the year and continue to comply with the relevant laws and regulations on waste disposal practices.

Energy Consumption

As a responsible corporate citizen, NetLink tracks its energy consumption[4] to monitor its carbon footprint.

A large part of NetLink's energy consumption was used to power the co-location rooms where the main energy consumption came from the RL's equipment maintained in the rooms. Although NetLink has no direct control over the type of equipment used by the RLs, it recognises the importance of its role in influencing the energy performance of its customers. NetLink strives to work with the RLs and encourage them to manage and monitor their energy consumption.

NetLink's direct energy consumption comes from its electricity use in the offices and diesel use to power up generators and company vehicles. NetLink implemented energy saving initiatives to reduce its direct energy consumption in all its operating sites such as:

- Switching off lights when not in use
- Installing motion sensor lights in the toilets in the central offices
- Monitoring monthly electricity consumption and identifying any consumption spikes by relevant offices
- Maintaining equipment according to maintenance schedule
- Sourcing for energy efficient equipment when replacements are planned

NetLink is planning for more green initiatives in the future.

[4] Energy consumption is not a material factor but has been included as additional disclosure in this Sustainability Report

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Page Reference / Notes
Universal Standards			
GRI 102: General Disclosures	**Organisational Profile**		
	102-1	Name of the organisation	Page 78
	102-2	Activities, brands, products, and services	Pages 8 - 10
	102-3	Location of headquarters	Page 112
	102-4	Location of operations	Page 112
	102-5	Ownership and legal form	Pages 112, 189 - 190
	102-6	Markets served	Page 1
	102-7	Scale of the organisation	Page 8, 22 - 31, 86
	102-8	Information on employees and other workers	Pages 86 - 89
	102-9	Supply chain	Page 91
	102-10	Significant changes to organisation and its supply chain	N/A
	102-11	Precautionary principle or approach	Pages 68 - 72
	102-12	External initiatives	NetLink adopts ISO standards for Business Continuity Management (ISO 22301:2012), Risk Management (ISO 31000:2009) and OSHAS standards for HSSE (OHSAS 18001: 2007)
	102-13	Membership of associations	NetLink has memberships and association with relevant organisations such as Singapore National Employers Federation
	Strategy		
	102-14	Statement from senior decision-maker	Page 78
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Page 1
	Governance		
	102-18	Governance structure	Page 79
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Page 81
	102-41	Collective bargaining agreements	Page 89
	102-42	Identifying and selecting stakeholders	Pages 80 - 81
	102-43	Approach to stakeholder engagement	Pages 80 - 81
	102-44	Key topics and concerns raised	Page 81

SUSTAINABILITY REPORT

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Page Reference / Notes
Universal Standards			
GRI 102: General Disclosures	**Reporting Practice**		
	102-45	Entities included in the consolidated financial statements	Page 147
	102-46	Defining report content and topic Boundaries	Page 78
	102-47	List of material topics	Page 80
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	1 April 2018 to 31 March 2019
	102-51	Date of most recent report	N/A. This is the first sustainability report for NetLink.
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Page 78
	102-54	Claims of reporting in accordance with GRI Standards	Page 78
	102-55	GRI content index	Pages 93 - 96
	102-56	External assurance	NetLink has not sought external assurance for this reporting year and may consider it in the future.
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	The material factor boundaries are defined as where NetLink has significant impacts and has caused or contributed to the impacts through its business relationships. Material factors with internal boundaries: • Economic Performance • Talent Retention • Diversity and equal opportunity Material factors with internal and external boundaries: • Connecting the nation • Infrastructure, quality and reliability of networks • Governance and transparency • Compliance with laws and regulations • Occupational health and safety • Waste management

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Page Reference / Notes
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Pages 22 - 31, 98 - 163
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	
Connecting the Nation			
GRI 103: Management Approach	103-2	The management approach and its components	Page 83
	103-3	Evaluation of the management approach	
GRI 203: Indirect Economic Impacts	203-2	Significant indirect economic impacts	
Compliance with Laws and Regulations			
GRI 103: Management Approach	103-2	The management approach and its components	Page 85
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruptions and actions taken	
GRI 419: Socio-economic Compliance	419-1	Non-compliance with Relevant Laws and Regulations	
Energy Consumption*			
GRI 103: Management Approach	103-2	The management approach and its components	Page 92 Note: Energy has been included as additional disclosure in this Report.
	103-3	Evaluation of the management approach	
Waste Management			
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	Page 92
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	
Occupational Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Pages 90 - 91
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety (2018)	403-1 to 403-7	Management approach disclosures	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	

* Non-material factor

SUSTAINABILITY REPORT

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Page Reference / Notes
Topic-specific Standards			
Talent Retention			
GRI 103: Management Approach	103-2	The management approach and its components	Pages 86 - 87
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-1	Average hours of training per employee per year	
Diversity and Equal Opportunity			
GRI 103: Management Approach	103-2	The management approach and its components	Pages 88 - 89
	103-3	Evaluation of the management approach	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	
Non-GRI Topic	**Disclosure Number**	**Disclosure Title**	**Page Reference / Notes**
Infrastructure, Quality and Reliability of Networks			
GRI 103: Management Approach	103-2	The management approach and its components	Page 84
	103-3	Evaluation of the management approach	
Governance and Transparency			
GRI 103: Management Approach	103-2	The management approach and its components	Pages 38 - 67
	103-3	Evaluation of the management approach	

NETLINK NBN TRUST AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS

CONTENTS

REPORT OF NETLINK NBN MANAGEMENT PTE. LTD.

(AS TRUSTEE-MANAGER OF NETLINK NBN TRUST)

The Directors of NetLink NBN Management Pte. Ltd., the Trustee-Manager of NetLink NBN Trust ("**NetLink**" or the "**Trust**") are pleased to present their report to the Unitholders of the Trust, together with the consolidated financial statements of NetLink NBN Trust and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in Unitholders' funds of the Trust for the financial year ended 31 March 2019.

DIRECTORS

The Directors of the Trustee-Manager in office at the date of this report are as follows:

Mr Chaly Mah Chee Kheong	(Chairman and Independent Director)
Ms Koh Kah Sek	(Independent Director)
Mr Ang Teik Siew @ Ang Teik Lim Eric	(Independent Director)
Ms Ku Xian Hong	(Independent Director)
Mr Yeo Wico	(Independent Director)
Mr Lang Tao Yih, Arthur	(Non-Executive Director)
Mr Slattery Sean Patrick	(Non-Executive Director)
Mr Tong Yew Heng	(Chief Executive Officer and Executive Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object was to enable any or all the Directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, the Trust.

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act (Cap 31A) (the "**Act**"), particulars of the interests of Directors who held office at the end of the financial year held units in, or debentures of, the Trust are as follows:

	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	At 1 April 2018	At 31 March 2019	At 1 April 2018	At 31 March 2019
Number of units				
Mr Chaly Mah Chee Kheong	300,000	300,000	-	-
Ms Koh Kah Sek	100,000	100,000	-	-
Mr Yeo Wico	300,000	300,000	-	-
Mr Lang Tao Yih, Arthur	200,000	-	-	200,000
Mr Slattery Sean Patrick	200,000	200,000	-	-
Mr Tong Yew Heng	200,000	300,000	-	-

There are no changes in any of the abovementioned interest in the Trust between the end of the financial year and 21 April 2019.

REPORT OF NETLINK NBN MANAGEMENT PTE. LTD.

(AS TRUSTEE-MANAGER OF NETLINK NBN TRUST)

OPTIONS

There were no options granted during the financial year by the Trustee-Manager to any person to take up unissued units in the Trust.

No units have been issued during the financial year by virtue of the exercise of options to take up unissued units of the Trust.

There were no unissued units of the Trust under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee of the Trustee-Manager during the financial year and as at the date of this report were as follows:

Ms Koh Kah Sek	(Chairman)
Mr Ang Teik Siew @ Ang Teik Lim Eric	(Member)
Mr Yeo Wico	(Member)

All members of the Audit Committee are independent and are non-executive directors.

The Audit Committee carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations 2005 of Singapore. In performing its functions, the Audit Committee has reviewed (among other things):

- with the Independent Auditor of the Trust, the audit plan of the Trust, the Independent Auditor's evaluation of the design and implementation of internal accounting controls of the Trust and the Independent Auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2019;

- the assistance given by the officers of the Trustee-Manager to the Independent Auditor of the Trust, the policies and practices put in place by the Trustee-Manager to ensure compliance with the Act and the trust deed dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) constituting the Trust, the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interest of the Unitholders and the interests of the Trustee-Manager (including interested person transactions, indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the trust property of the Trust); and

- the financial statements of NetLink NBN Trust and its subsidiaries, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in Unitholders' funds of the Group and the Trust for the financial year ended 31 March 2019 before their submission to the Board of Directors of the Trustee-Manager.

REPORT OF NETLINK NBN MANAGEMENT PTE. LTD.

(AS TRUSTEE-MANAGER OF NETLINK NBN TRUST)

INDEPENDENT AUDITOR

The independent auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

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

Chaly Mah Chee Kheong
Chairman

Koh Kah Sek
Director

Singapore
13 May 2019

STATEMENT BY NETLINK NBN MANAGEMENT PTE. LTD.

(AS TRUSTEE-MANAGER OF NETLINK NBN TRUST)

In our opinion,

(a) the consolidated statement of profit or loss and other comprehensive income set out on page 106 is drawn up so as to give a true and fair view of the results of the business of the Group for the financial year ended 31 March 2019;

(b) the statement of financial position set out on page 107 is drawn up so as to give a true and fair view of the state of affairs of NetLink NBN Trust and of the Group as at 31 March 2019;

(c) the consolidated cash flow statement set out on pages 110 to 111 is drawn up so as to give a true and fair view of the cash flow of the business of the Group for the financial year ended 31 March 2019; and

(d) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

In accordance with Section 86(2) of the Act, we further certify:

(a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed;

(b) the interested person transactions entered into by the Group during the financial year are not detrimental to the interest of the Unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interest of the Unitholders of the Trust as a whole.

The Board of Directors has, on the date of this statement, authorised the above statements and the consolidated financial statements of the Group as at and for the financial year ended 31 March 2019 for issue.

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

Chaly Mah Chee Kheong
Chairman

Koh Kah Sek
Director

Singapore
13 May 2019

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interest of the Unitholders of the Trust as a whole.

Tong Yew Heng
Chief Executive Officer

Singapore
13 May 2019

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF NETLINK NBN TRUST
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of NetLink NBN Trust (the "**Trust**") and its subsidiaries (the "**Group**") which comprises the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in Unitholders' funds of the Trust for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 106 to 163.

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 Trusts Act, Chapter 31A of Singapore (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") 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 2019, 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 year ended on that date.

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 *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 of these matters.

Key Audit Matters	Our audit performed and responses thereon
Goodwill Impairment Review Under SFRS(I) 1-36 *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 2019, 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 20 to the financial statements.	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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF NETLINK NBN TRUST
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF NETLINK NBN TRUST
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

13 May 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018[(a)] $'000
Revenue	4	353,580	228,587
Other income	6	3,458	1,521
Expenses			
Operation and maintenance costs		(20,834)	(9,400)
Installation costs		(14,376)	(9,198)
Diversion costs		(9,152)	(2,142)
Depreciation and amortisation		(160,792)	(111,811)
Staff costs	7	(24,229)	(12,848)
Finance costs	8	(19,126)	(12,180)
Management fee	9	(982)	(948)
Other operating expenses		(37,797)	(27,772)
Total expenses		(287,288)	(186,299)
Profit before income tax	10	**69,750**	**43,809**
Income tax credit	11	7,609	6,141
Profit after income tax		**77,359**	**49,950**
Profit attributable to:			
Unitholders of the Trust		77,359	49,950
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges	26	(537)	7,250
Total comprehensive income attributable to:			
Unitholders of the Trust		76,822	57,200
Earnings per unit:			
- Basic and diluted	30	1.99 cents	1.28 cents

(a) For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		Group		Trust	
	Note	31 March 2019 $'000	31 March 2018 $'000	31 March 2019 $'000	31 March 2018 $'000
			(Restated)		
ASSETS					
Current assets					
Cash and bank deposits	12	148,621	166,449	223	861
Trade and other receivables	13	46,925	39,835	57,624	81,102
Contract assets	14	28,909	23,676	-	-
Finance lease receivables	15	221	208	-	-
Inventories	16	4,738	3,889	-	-
Other current assets	17	4,116	4,076	310	360
		233,530	238,133	58,157	82,323
Non-current assets					
Finance lease receivables	15	87,659	87,880	-	-
Property, plant and equipment	18	3,124,527	3,210,668	-	-
Rental deposits	19	667	713	-	-
Goodwill	20	746,854	746,854	-	-
Licence	21	88,564	92,802	-	-
Investment in subsidiaries	22	-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary	23	-	-	1,100,000	1,100,000
		4,048,271	4,138,917	3,113,673	3,113,673
Total assets		4,281,801	4,377,050	3,171,830	3,195,996
LIABILITIES					
Current liabilities					
Trade and other payables	24	56,023	48,374	521	685
Deferred revenue	25	21,989	12,485	-	-
Current tax liabilities		1,696	-	-	-
		79,708	60,859	521	685
Non-current liabilities					
Derivative financial instruments	26	780	244	-	-
Loans	27	634,554	588,742	-	-
Deferred tax liabilities	28	536,907	552,827	-	-
		1,172,241	1,141,813	-	-
Total liabilities		1,251,949	1,202,672	521	685
NET ASSETS		**3,029,852**	**3,174,378**	**3,171,309**	**3,195,311**
UNITHOLDERS' FUNDS					
Units in issue	29	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficit)/Retained earnings		(94,039)	49,950	54,131	78,133
Hedging reserves	26	6,713	7,250	-	-
Total Unitholders' funds		**3,029,852**	**3,174,378**	**3,171,309**	**3,195,311**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Units in issue $'000	Retained earnings $'000	Hedging reserves $'000	Total $'000
Group				
2019				
At 1 April 2018	3,117,178	49,950	7,250	3,174,378
Total comprehensive income for the year:				
Profit for the year	-	77,359	-	77,359
Other comprehensive loss for the year	-	-	(537)	(537)
Distribution paid (Note 34)	-	(221,348)	-	(221,348)
At 31 March 2019	3,117,178	(94,039)	6,713	3,029,852
2018[a]				
At 19 June 2017 (date of constitution)	*	-	-	*
Total comprehensive income for the period:				
Profit for the period	-	49,950	-	49,950
Other comprehensive income for the period	-	-	7,250	7,250
Total	-	49,950	7,250	57,200
Transactions with Unitholders, recognised directly in equity:				
Issue of units	3,156,547	-	-	3,156,547
Less: listing expenses	(39,369)	-	-	(39,369)
At 31 March 2018	3,117,178	49,950	7,250	3,174,378

* Amount less than $1,000

[a] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Units in issue $'000	Retained earnings $'000	Total $'000
Trust			
2019			
At 1 April 2018	3,117,178	78,133	3,195,311
Total comprehensive income for the year:	-		
Profit for the year	-	197,346	197,346
Distribution paid (Note 34)	-	(221,348)	(221,348)
At 31 March 2019	3,117,178	54,131	3,171,309
2018[(a)]			
At 19 June 2017 (date of constitution)	*	-	*
Total comprehensive income for the period:			
Profit for the period	-	78,133	78,133
Total	-	78,133	78,133
Transactions with Unitholders, recognised directly in equity:			
Issue of units	3,156,547	-	3,156,547
Less: listing expenses	(39,369)	-	(39,369)
At 31 March 2018	3,117,178	78,133	3,195,311

* Amount less than $1,000

(a) For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018[a] $'000 (Restated)
Operating activities			
Profit before income tax		69,750	43,809
Adjustments for:			
- Depreciation and amortisation		160,792	111,811
- Amortisation of transaction fees	8	812	573
- Write-back of loss allowance for trade receivables	13	(100)	(58)
- Provision for stock obsolescence	16	46	59
- Interest expense	8	18,314	11,607
- Interest income	6	(1,792)	(525)
- Gain on disposal of property, plant and equipment		(4)	(5)
- Property, plant and equipment written off	18	2,075	1,514
Operating cash flows before working capital changes		**249,893**	**168,785**
Changes in working capital:			
- Trade and other receivables		(7,303)	4,170
- Contract assets		(5,233)	12,275
- Trade and other payables		15,734	2,636
- Inventories		(895)	1,977
Cash generated from operations		**252,196**	**189,843**
Interest received		1,792	525
Interest paid		(18,285)	(20,407)
Income tax paid		(6,061)	(11,510)
Net cash generated from operating activities		**229,642**	**158,451**
Investing activities			
Acquisition of subsidiaries, net of cash	20	-	(1,095,044)
Purchase of property, plant and equipment (Note A)		(71,100)	(212,181)
Proceeds from sale of property, plant and equipment		6	5
Net cash used in investing activities		**(71,094)**	**(1,307,220)**
Financing activities			
Repayment of Unitholder's loan		-	(1,100,477)
Proceeds from issuance of units, net of listing expenses		-	2,334,718
Payment of loan arrangement fee		(28)	(23)
Distribution paid		(221,348)	-
Proceeds from bank loans	27	45,000	81,000
Net cash (used in)/generated from financing activities		**(176,376)**	**1,315,218**
Net (decrease)/increase in cash and cash equivalents		**(17,828)**	**166,449**
Cash and cash equivalents at beginning of financial year/period		166,449	-
Cash and cash equivalents at end of financial year/period	12	**148,621**	**166,449**

[a] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

NOTE A

	Note	Group 2019 $'000	Group 2018[(a)] $'000
Purchase of property, plant and equipment	18	72,490	210,190
Less: Accruals for property, plant and equipment at end of financial year/period	24	(15,920)	(14,530)
Add: Payment of accruals for property, plant and equipment at beginning of financial year/acquisition date		14,530	16,521
		71,100	212,181

(a) For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. CORPORATE INFORMATION

NetLink NBN Trust ("**NetLink**" or the "**Trust**") was constituted by a trust deed dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) (collectively, the "**Trust Deed**"). It was registered as a business trust with the Monetary Authority of Singapore on 29 June 2017. NetLink 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 July 2017 (the "**Listing Date**"). The financial statements are presented in Singapore dollars and all values are rounded to the nearest thousands ("**$'000**"), except when otherwise stated.

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, Viva Business Park, Singapore 469005.

The principal activities of the Trust is that of investment holding. The principal activities of the Trust's subsidiaries are disclosed in Note 22 to the financial statements.

These financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager on 13 May 2019.

For the first financial period from 19 June 2017 (date of constitution) to 31 March 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("**FRSs**"). These financial statements for the year ended 31 March 2019 are the first set that the Group and the Trust have prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Details of first-time adoption of SFRS(I) are included in Note 2.1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for the measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of new and revised standards – The Group and Trust adopted the new financial reporting framework – SFRS(I) for the first time for financial year ended 31 March 2019, and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB).

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 19 June 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 31 March 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements. As the Trust was only constituted on 19 June 2017 and commenced business operations from 19 July 2017, no additional statement of financial position as at 19 June 2017 is presented. The transition from the previous financial reporting framework to the SFRS(I) does not affect its reported financial position, financial performance and cash flows. Accordingly, no adjustments were made in preparing the opening SFRS(I) statement of financial positions as at 19 June 2017 and 1 April 2018.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I), interpretations of SFRS(I) which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers*;
- SFRS(I) 9 *Financial Instruments*.

The application of the above standards and interpretations do not have a material effect on the financial statements.

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, there was no significant impact to the way revenue is recognised. Accordingly, the Group has reclassified unbilled revenue of $23.7 million classified as "Trade and other receivables" as at 31 March 2018 to "Contract assets" as at 31 March 2018 and included more extensive disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group adopted SFRS(I) 9 from 1 April 2018.

(i) The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018:

- The determination of the business model within which a financial asset is held;
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;

(ii) New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 at 31 March 2018 met the criteria for hedge accounting under SFRS(I) 9 at 1 April 2018 and was regarded as continuing hedging relationships.

Accordingly, there was no material adjustments to the accounting policy, no change in classification and measurement of financial assets and liabilities and no change in numbers, except for disclosures relating to the expected credit loss ("**ECL**") of financial assets and more extensive disclosures on hedge accounting.

2.2 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group in the periods of their initial application.

Effective for annual periods beginning on or after 1 January 2019

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual Improvements to SFRS(I)s 2015-2017 Cycle

The Trustee-Manager anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future period will not have a material impact on the financial statements of the Group and Trust in the period of their adoption except for the following:

<u>SFRS(I) 16 *Leases*</u>

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

The Trustee-Manager will adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application and anticipates that the initial application of the new SFRS(I) 16 will result in changes to the accounting policies relating to operating leases, where the Group is a lessee. A leased asset will be recognised on statement of financial position, representing the Group's right to use the leased asset over the lease term and recognition of a corresponding liability. Additional disclosures may be made with respect of the Group's exposure to asset risk and credit risk, where the Group is the lessee or lessor. The Trustee-Manager does not plan to early adopt the new SFRS(I) 16 and the possible impact of implementing SFRS(I) 16 is as below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective (cont'd)

Statement of Financial Position

	Impact as at 1 April 2019 $'000
Right-of-Use Asset	14,919
Lease Liability	(17,092)
Reduction in Retained Earnings	2,173

2.3 Basis of consolidation and business combinations

The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust and its subsidiaries. Control is achieved when the Trust:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power, including:

- The size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Trust, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Trust has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the unitholders of the Trust. Total comprehensive income of subsidiaries is attributed to the unitholders of the Trust.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation and business combination (cont'd)

Business combinations – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment

(a) Measurement

Property, plant and equipment acquired as part of a business combination are recognised initially at their fair values at the date of acquisition and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an item includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Trustee-Manager. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

(b) Depreciation

Depreciation is calculated using a straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and buildings	Over the remaining leasehold period of 57 to 77 years
Network assets	23 to 50 years
Exchange equipment	8 to 15 years
Leasehold improvements	5 years
Furniture, fittings and equipment	3 to 7 years
Motor vehicles	10 years

Assets under construction included in property, plant and equipment are carried at cost, less any recognised impairment loss. Asset under construction are not depreciated as these assets are not yet available for use. Depreciation will commence when these assets are ready for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate, at each year end. The effects of any changes in estimate are accounted for prospectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment (cont'd)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

(d) Disposal

On disposal of a property, plant and equipment, the difference between sale proceeds and its carrying amount is recognised in the profit or loss.

2.5 Investment in subsidiaries

Investment in subsidiary is carried at cost less any impairment in net recoverable value in the Trust's statement of financial position. On disposal of investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investment is recognised in the Trust's profit or loss.

2.6 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

The Group's Facilities-Based Operator ("**FBO**") licence has finite useful lives, over which the assets are amortised using the straight-line method, over their estimated useful lives of 23 years. The estimated useful life and amortisation method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense is included in the line item "depreciation and amortisation" in profit or loss.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.8 Impairment of tangible and intangible assets excluding goodwill

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income" line item.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on investments in debt instruments that are measured at amortised cost or at FVTOCI, contract assets and lease receivables. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from possible default events on a financial instrument within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's customers operate, obtained from financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Significant increase in credit risk (cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations, the Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the customers, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 1-17 *Leases*.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the group's trade and other receivables, contract assets, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Derivative financial instruments

The Group enters into interest rate swaps to manage its exposure to interest rate.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of interest rate risk (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 26 set out details of the fair values of the derivative instruments used for hedging purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Derivative financial instruments (cont'd)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated, or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.11 Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.12 Contract assets

A contract asset is recognised for the revenue recognised but not yet invoiced.

2.13 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business. Allowance for obsolete, deteriorated or damaged stocks is made when considered appropriate.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see Note 2.21). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Taxes

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Trust and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Taxes (cont'd)

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Foreign currency transactions and translation

Functional or presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Trust are presented in Singapore dollars, which is the functional currency of the Trust and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

2.20 Units in issue

Proceeds from issuance of units are recognised in unitholders' funds, net of issue costs.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue recognition

Revenue consists primarily of (i) fibre business revenue, and (ii) ducts, manholes and central office revenue, both of which include regulated and non-regulated revenues. Regulated revenues comprise revenues received pursuant to the Interconnection Offer, Reference Access Offer, Customised Agreement and the ducts and manholes services revenue. Revenues received pursuant to the Interconnection Offer and Reference Access Offer are subject to regulated pricing determined by Info-communications Media Development Authority ("**IMDA**"). The tariff and Customised Agreement for providing fibre connection services and the ducts and manholes services revenue was approved by IMDA. Non-regulated revenues comprise central office revenue, diversion income and other revenue that is not regulated or approved by IMDA.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. There is no significant impact to the way revenue is recognised by the Group as a result of adoption of SFRS(I) 1-15.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured and it is probable that future economic benefits will flow to the entity. In addition, there are specific criteria that have to be met for revenue recognition for each of the Group's activities as described below:

(a) Ducts and manholes service revenue includes the following:

(i) Revenue received from the provision of space in NetLink Trust's ("**NLT**") ducts and manholes. Revenue is recognised over time over the contract period on a straight-line basis when the services are rendered. Invoices are issued on a monthly basis and are payable within 30 days.

(ii) Revenue received from substantial Unitholder for the recovery of ducts and manholes construction costs on joint-build projects and the provision of Reference Access Offer ("**RAO**") services. Revenue is recognised upon project completion. Invoices are issued on a monthly basis and are payable within 30 days.

(b) Central office revenue primarily comprises revenue received for the provision of ancillary services such as security, maintenance and administration services relating to the central offices. Revenue relating to central office is recognised over time over the lease period on a straight-line basis when the services are rendered. Invoices for central office revenue are issued on a quarterly basis and are payable within 30 days.

(c) Service income and charges primarily comprises revenue received for the lease of machinery and equipment relating to the central offices. Revenue relating to central office is recognised over time over the lease period on a straight-line basis when the services are rendered. Invoices for service income and charges are issued on a quarterly basis and are payable within 30 days.

(d) Connection revenue primarily comprises monthly recurring monthly fees received from Requesting Licensees for each residential, non-residential, NBAP and segment (i.e. point to point) connection. Revenue is recognised over time over the subscription period on a straight-line basis when the services are rendered. Invoices for connection revenue are issued on a monthly basis and are payable within 30 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue recognition (cont'd)

(e) Revenue from co-location includes the following:

(i) Monthly recurring charges received from Requesting Licensees to use space in co-location rooms in central office to house their equipment racks. Revenue is recognised over time over the lease term when the services are rendered;

(ii) Provision of ancillary services such as power, cooling, project study works, site preparation and installation, fibre splicing and onsite work and escort charges at the central offices. Revenue from power is recognised over time using the rate and usage charged while cooling is recognised over time over the lease term when services are rendered. Revenue from site preparation and installation, fibre splicing and onsite work and escort charges at the central offices are recognised at a point in time when the services are rendered or upon completion of the services; and

(iii) Invoices for co-location revenue are issued on a monthly basis and are payable within 30 days.

(f) Installation-related revenue includes the following:

(i) One-time charges imposed on Requesting Licensees for the installation of a termination point at residential home, non-residential home and/or NBAPs, and charges for the relocation, repair, replacement or removal of existing termination points and/or fibre cables within the same residential home, non-residential premises and/or NBAP location. Revenue from the installation of network fibre is recognised upon completion of the installation of the network fibre for each customer;

(ii) Service activation charge imposed on Requesting Licensees for each activation of service on any fibre which comprises of the patching and unpatching services relating to each new connection. This is a new charge which was effective for new connections from 1 January 2018. Revenue from the patching services is recognised upon activation of fibre connection, while revenue from the unpatching services is deferred until the unpatching work for the termination of fibre connection is completed; and

(iii) Invoices for installation-related revenue are issued in arrears on a monthly basis when the service is completed and/or rendered and are payable within 30 days.

(g) Diversion revenue primarily comprises income received from third parties, such as developers and the Government Agencies upon their request for the diversion of NLT's ducts, manholes and fibre cables due to events such as road works, the construction of MRT infrastructure and tunnels and building construction. Revenue is recognised upon completion of diversion work for each customer. Invoices for diversion revenue to third parties are issued and payment to receive before work commencement. Invoices to Government Agencies are issued upon work completion and are payable within 30 days.

(h) Fibre related and other revenue primarily comprise premature termination and cancellation charges received from Requesting Licensees following the termination of a connection, and charges imposed on third parties for the recovery of costs incurred for fibre repair work resulting from such third parties' damage to NLT's network. Revenue is recognised at a point in time when the services are rendered or upon completion of fibre repair work. Invoices for fibre related and other revenue are issued on a monthly basis whenever the service is completed and/or rendered and are payable within 30 days.

(i) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(j) Dividend/distribution income from subsidiaries is recognised when the shareholders/unitholders' rights to receive payment have been established.

(k) Deferred revenue relates to unearned revenue and is recognised in the profit or loss when ducts and manholes service, installation-related and diversion services are rendered.

(l) Customer rebates and discount are recognised against the respective revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Segment reporting

An operating segment is a component of the Group:

(a) that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components,

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker and the Group to make decisions about resources to be allocated to the segment and assess its performance; and

(c) for which discrete financial information is available.

2.24 Distributions to the Unitholders

Distributions to the Unitholders are recorded in equity in the period in which they are approved for payment.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, the Trustee-Manager is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and key sources of estimation uncertainty in applying the entity's accounting policies

The following are the critical judgements and key sources of estimation uncertainty that Trustee-Manager has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Estimated useful lives of property, plant and equipment (Note 18)

The Group reviews annually the estimated useful lives 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 lives of property, plant and equipment would decrease the net profit and decrease the carrying value of property, plant and equipment.

(b) Goodwill impairment reviews

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.

The assumptions used by management to determine the value in use calculations of goodwill on acquisition of subsidiaries are disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

Critical judgements and key sources of estimation uncertainty in applying the entity's accounting policies (cont'd)

(c) Fair value of derivative financial instruments (Note 26)

The fair value of the interest rate swaps is derived using the discounted cash flow method, where the future cash flows are estimated based on various inputs, including the forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, the terms and maturity of each contract, and discounted at rates derived from observable yield curves.

4. REVENUE

	Group	
	2019 $'000	**2018[a] $'000**
Timing of revenue recognition		
At a point in time:		
- Ducts and manholes service revenue – Construction of joint-build and provisions of RAO services	6,797	78
- Installation-related revenue	21,412	10,261
- Diversion revenue	13,507	3,655
- Co-location revenue – Others	1,028	1,055
- Fibre related revenue	2,782	2,886
- Other revenue	745	195
	46,271	18,130
Over time:		
- Ducts and manholes service revenue – Provision of space	30,579	22,117
- Central office service revenue	5,384	3,774
- Finance lease income	5,248	3,687
- Service income and charges	6,859	4,885
- Connection revenue – Residential	206,768	141,675
- Connection revenue – Non-residential	29,962	18,602
- Connection revenue – NBAP	1,202	742
- Connection revenue – Segment fibre	5,706	4,861
- Co-location revenue – Space, power and cooling	15,601	10,114
	307,309	210,457
	353,580	228,587

5. SEGMENT INFORMATION

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

[a] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

6. OTHER INCOME

	Group	
	2019 $'000	2018[(a)] $'000
Interest income	1,792	525
Wage Credit Scheme	240	383
Fibre Readiness Certification	432	365
Restoration cost recovery	615	125
Plant Route Plans	107	73
Others	272	50
	3,458	1,521

7. STAFF COSTS

	Group	
	2019 $'000	2018[(a)] $'000
Salaries and wages	24,571	17,422
Employer's contribution to defined contribution plans including Central Provident Fund	3,030	2,099
Other short-term benefits	1,891	1,292
Less: Staff costs capitalised	(5,263)	(7,965)
	24,229	12,848

8. FINANCE COSTS

	Group	
	2019 $'000	2018[(a)] $'000
Interest on bank loans	16,286	7,540
Interest on obligations under finance leases	140	102
Financing related costs	1,484	1,235
Realised loss on interest rate swaps	1,216	3,303
	19,126	12,180

For cash flow purposes, finance costs do not include amortisation of transaction fee of $812,000 (2018: $573,000).

[(a)] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. MANAGEMENT FEE

Management fees are payable quarterly in arrears and in accordance with the Trust Deed dated 19 June 2017.

10. PROFIT BEFORE INCOME TAX

The following items have been included in arriving at profit before income tax:

	Group	
	2019 $'000	2018[(a)] $'000
Depreciation (Note 18)	156,554	108,633
Amortisation of Licence (Note 21)	4,238	3,178
Other operating expenses:		
Property tax	16,438	11,276
Operating lease expense (Note 31a)	3,889	2,094
Property, plant and equipment written off (Note 18)	2,075	1,514
Provision for stock obsolescence (Note 16)	46	59
Write-back of loss allowance for trade receivables (Note 13)	(100)	(58)
Total amount of fees paid/payable to auditors of the Trust:		
Audit fees paid/payable to auditors of the Trust	163	348
Non audit fees paid/payable to auditors of the Trust	10	15
Total	173	363*

* Includes audit fee of $215,000 and non-audit fees of $15,000 debited to listing expenses.

11. INCOME TAX CREDIT

The major components of income tax credit for the year ended 31 March 2019 is:

	Group	
	2019 $'000	2018[(a)] $'000
Income tax is made up of:		
- Current income tax (expense)/credit	(581)	8,721
- (Under)/Over provision of current income tax in prior year	(7,730)	828
	(8,311)	9,549
- Deferred income tax due to origination and reversal of temporary differences (Note 28)	7,528	(2,980)
- Over/(under) provision of deferred income tax in prior year (Note 28)	8,392	(428)
Income tax credit recognised in profit or loss	7,609	6,141

(a) For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11. INCOME TAX CREDIT (CONT'D)

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

	Group	
	2019 $'000	2018[a] $'000
Profit before income tax	69,750	43,809
Income tax expense calculated at a tax rate of 17%	(11,858)	(7,448)
Effect of:		
- Income not subject to taxation	18	18
- Expenses not deductible for tax purposes	(783)	(775)
- Tax relief	-	20
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities (Note 23)	19,635	13,771
- Over provision in prior year - net	662	400
- Others	(65)	155
	7,609	6,141

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

12. CASH AND BANK DEPOSITS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash and bank balances	138,621	158,449	223	861
Capital expenditure reserve fund[b]	10,000	8,000	-	-
Cash at bank, representing cash and cash equivalents	148,621	166,449	223	861

[a] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

[b] Capex Reserve comprises monies set aside for at least 20% of capital expenditure reserve fund per year cumulating to $40 million over the five-year period from 1 January 2018 to 31 December 2022, to meet regulatory requirements from Info-communications Media Development Authority ("**IMDA**") or for any new network infrastructure projects that improve the capacity, technology, capability or resilience of 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 $8 million. As at 31 March 2019, NLT has set aside $10 million for the Capex Reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

13. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019 $'000	2018 $'000 (Restated)	2019 $'000	2018 $'000
Trade receivables:				
- Third parties	11,170	7,911	33	94
- Substantial Unitholder	21,186	15,906	-	-
- Subsidiaries of a substantial shareholder of the substantial Unitholder	9,144	7,840	-	-
Loss allowances	(81)	(181)	-	-
	41,419	31,476	33	94
Other receivables:				
- Third parties	5,506	8,359	-	-
- Subsidiaries	-	-	57,591	81,008
	46,925	39,835	57,624	81,102

Trade receivables due from third parties, substantial unitholder and subsidiary of a substantial shareholder of the substantial unitholder.

The average credit period is 30 days (2018: 30 days). No interest is charged on the trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 10.75% (2018: 10.75%) per annum on the outstanding balance for interconnection services which are regulated under IMDA which consist of connection revenue, co-location revenue, installation-related revenue and fibre related revenue. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for factors that are specific to the customer.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

13. TRADE AND OTHER RECEIVABLES (CONT'D)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	2019			2018		
	Weighted average loss rate	Gross carrying amount	Loss allowance	Weighted average loss rate	Gross carrying amount	Loss allowance
	%	$'000	$'000	%	$'000	$'000
Group						
Current	0.01	35,641	2	0.07	25,414	18
Past due 1-30 days	-	1,054	-	0.09	5,696	5
Past due 31-60 days	-	4,560	-	11.02	127	14
Past due 61-90 days	21.43	14	3	61.90	42	26
Past due above 90 days	50.67	150	76	59.90	197	118
		41,419	81		31,476	181

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – Not credit-impaired			
	Collectively assessed	Individually assessed	Lifetime ECL – credit-impaired	Total
	$'000	$'000	$'000	$'000
Group				
At 19 June 2017 (date of constitution)	-	-	-	-
Acquisition of subsidiary	-	224	15	239
Allowance utilised	-	(15)	(3)	(18)
Loss allowance recognised	-	147	-	147
Amounts recovered	-	(187)	-	(187)
At 31 March 2018	-	169	12	181
Allowance utilised	-	(23)	(12)	(35)
Loss allowance recognised	6	42	26	74
Amounts recovered	-	(139)	-	(139)
At 31 March 2019	6	49	26	81

Other receivables due from third parties and subsidiaries

Other receivables due from third parties and subsidiaries are unsecured, interest-free and are generally receivable on 30 days terms.

ECL is expected to be insignificant for other receivables due from third parties and subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

14. CONTRACT ASSETS

	Group	
	2019 $'000	2018 $'000 (Restated)
Contract assets	28,909	23,676
Analysed as:		
Substantial Unitholder	12,699	10,093
Subsidiaries of a substantial shareholder of a substantial Unitholder	9,374	7,369
Third parties	6,836	6,214
	28,909	23,676

Movements in the contracts assets balances during the year are as follows:

	Group	
	2019 $'000	2018 $'000 (Restated)
At the beginning of the year/period	23,676	-
Acquisition of subsidiary	-	35,951
Contract assets recognised, net of reclassification from/(to) trade receivables	5,233	(12,275)
At the end of the year/period	28,909	23,676

The contract assets primarily relate to the Group's rights to consideration for goods and services provided but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

The increase in contract assets balances relate to increase in receivables derived against higher revenue from ducts and manholes service revenue, central office service revenue, service income and charges, connection revenue and co-location revenue during the financial year.

ECL is expected to be insignificant for contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

15. FINANCE LEASE RECEIVABLES

Future minimum finance lease receivables under finance leases together with the present value of the net minimum finance lease receivables are as follows:

	Group	
	2019 $'000	**2018 $'000**
Minimum finance lease receivables:		
Not later than one year	5,456	5,456
Later than one year but not later than five years	21,825	21,825
Later than five years	271,493	276,949
Total minimum lease receivables (Note 31b)	298,774	304,230
Less: Future finance income	(210,894)	(216,142)
Present value of minimum lease receivables	87,880	88,088
Net investment in finance lease	87,880	88,088
Less: Present value of finance lease receivables not later than one year	(221)	(208)
Non-current finance lease receivables	87,659	87,880

Present value of the finance lease receivables is analysed as follows:

	Group	
	2019 $'000	**2018 $'000**
Not later than one year	221	208
Later than one year but not later than five years	1,028	968
Later than five years	86,631	86,912
Present value of minimum lease receivables	87,880	88,088

The finance lease receivables relate to the rental 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 exchange buildings owned by the subsidiary. At acquisition, the exchange buildings have a remaining lease period of 50 to 70 years.

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted is approximately 6.2% (2018: 6.2%).

Loss allowance for finance lease receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). None of the finance lease receivables at the end of the reporting period is past due and taking into account the historical default experience, the Group considers that no finance lease receivables is impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

16. INVENTORIES

Movement in provision for stock obsolescence

	Group	
	2019 $'000	2018 $'000
Balance at beginning of the financial year/period	139	-
Acquisition of subsidiary	-	80
Provision during the year/period (Note 10)	46	59
Balance at the end of the financial year/period	185	139

The cost of inventories recognised as an expense and included in operation and maintenance costs amounted to $332,000 (2018: $157,000).

17. OTHER CURRENT ASSETS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deposits	144	117	-	-
Prepayments	3,972	3,432	310	360
Current tax receivables	-	527	-	-
	4,116	4,076	310	360

ECL is expected to be insignificant for deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Network Assets	Exchange equipment	Leasehold improvements	Furniture, fittings and equipment	Motor vehicles	Asset under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost:								
At 19 June 2017 (date of constitution)	-	-	-	-	-	-	-	-
Acquisition of subsidiary	8,949	3,440,559	111,856	2,369	20,653	886	69,600	3,654,872
Additions	-	152,876	8,449	-	251	-	48,614	210,190
Transfer	-	43,109	-	-	-	-	(43,109)	-
Disposals/Written off	-	(1,384)	(1,057)	-	(5)	-	-	(2,446)
At 31 March 2018	8,949	3,635,160	119,248	2,369	20,899	886	75,105	3,862,616
Additions	562	2,949	13,558	-	1,644	868	52,909	72,490
Transfer	-	56,799	-	-	-	-	(56,799)	-
Disposals/Written off	-	(1,514)	(1,888)	-	(97)	(125)	-	(3,624)
At 31 March 2019	9,511	3,693,394	130,918	2,369	22,446	1,629	71,215	3,931,482
Accumulated depreciation:								
At 19 June 2017 (date of constitution)	-	-	-	-	-	-	-	-
Acquisition of subsidiary	272	481,685	41,226	1,212	19,635	217	-	544,247
Depreciation charge	106	100,219	7,378	333	520	77	-	108,633
Disposals/Written off	-	(296)	(632)	-	(4)	-	-	(932)
At 31 March 2018	378	581,608	47,972	1,545	20,151	294	-	651,948
Depreciation charge	157	143,586	11,422	470	771	148	-	156,554
Disposals/Written off	-	(332)	(1,000)	-	(93)	(122)	-	(1,547)
At 31 March 2019	535	724,862	58,394	2,015	20,829	320	-	806,955
Net carrying amount:								
At 31 March 2018	8,571	3,053,552	71,276	824	748	592	75,105	3,210,668
At 31 March 2019	8,976	2,968,532	72,524	354	1,617	1,309	71,215	3,124,527

The Group's leasehold improvements and asset under construction include a provision for reinstatement cost of $525,000 (2018: $525,000) and $16,000 (2018: $16,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

19. RENTAL DEPOSITS

	Group	
	2019 $'000	2018 $'000
Subsidiary of a substantial shareholder of the substantial Unitholder	41	40
Substantial Unitholder	160	160
Third parties	466	513
	667	713

ECL is expected to be insignificant for rental deposits.

20. GOODWILL

	Group	
	2019 $'000	2018 $'000
Cost:		
Balance at beginning of year/period	746,854	-
Acquisition of subsidiary	-	746,854
Balance at end of year/period	746,854	746,854
Carrying amount:		
Balance at end of year/period	746,854	746,854

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. GOODWILL (CONT'D)

On 19 July 2017, the Trust acquired 100% of the units in NLT and 100% of equity interest in NetLink Management Pte. Ltd. from Singtel. NLT's principal activities are disclosed in Note 22.

The aggregate consideration for the Trust Acquisition payable by the Trustee-Manager to Singtel for the Trust Acquisition is $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:

	2018 $'000 (Restated)
Cash and bank deposits	19,090
Trade and other receivables[1]	44,599
Contract assets	35,951
Finance lease receivables	88,236
Inventories	5,925
Other current 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's loan	(1,100,477)
Derivative financial instruments	(7,493)
Deferred tax liabilities	(549,419)
Total identifiable net assets acquired at fair value	1,149,819
Goodwill on acquisition	746,854
Total purchase consideration	1,896,673
Less: Cash and bank deposits acquired	(19,090)
Less: Issuance of consideration units to Singtel[2]	(782,460)
Less: Consideration unpaid as at 31 March 2018	(79)
Net outflow of cash	1,095,044

Footnotes:

(1) The receivables acquired (which principally, comprised trade receivables) in these transactions with a fair value of $44.6 million had gross contractual amounts of $44.6 million. The best estimate at acquisition date of the contractual cash flow not expected to be collected was $239,000.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. GOODWILL (CONT'D)

Goodwill arose in the acquisition of NLT because the consideration paid effectively included amounts in relation to the benefits of expected revenue growth which do not meet the recognition criteria for separate intangible assets.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. There is only one cash-generating unit and management considers that the Group operates in one single business unit.

The recoverable amount of the cash-generating unit is determined from value in use calculations. The key assumptions for the value in use calculations are the discount rate and the expected cash flows. The long-term cash flow forecasts are based on revenue, operating and capital expenditure assumptions which are mainly driven by growth rates and operating margins.

The Group prepares cash flow forecasts which are derived from the most recent financial budget approved by the Board. The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital ("**WACC**") where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

The WACC used to discount the cash flows is 5.26% (2018: 5.44%). The time period used is 15 years (2018: 16 years) in line with the amortisation of the license. The terminal growth rates used of 1.5% (2018: 1.5%) do not exceed the long term average growth rates of the industry in which the Group operates.

As at 31 March 2019, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amounts of the cash-generating unit.

21. LICENCE

	Group	
	2019 $'000	2018 $'000
Cost:		
Balance at beginning of year/period	95,980	-
Acquisition of subsidiary	-	95,980
Balance at end of year/period	95,980	95,980
Amortisation:		
Balance at beginning of year/period	(3,178)	-
Amortisation	(4,238)	(3,178)
Balance at end of year/period	(7,416)	(3,178)
Carrying amount:		
Balance at end of year/period	88,564	92,802

The Group's FBO licence pertains to providing access to the ducts, manholes and central offices required by other FBOs in rolling out their network for specific telecommunication purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

22. INVESTMENT IN SUBSIDIARIES

	Trust	
	2019 $'000	2018 $'000
Unquoted equity investments, at cost	2,013,673	2,013,673

Details of the subsidiaries are as follows:

Name of company/entity	Principal activities (Country of incorporation/ Place of business)	Effective interest held by the Trust (%)	
		2019	2018
Held by the Trust:			
NetLink Trust	See note 1 below. (Singapore)	100	100
NetLink Management Pte. Ltd.	Provision of management services to NLT (Singapore)	100	100
Held through NetLink Trust:			
NetLink Trust Operations Company Pte. Ltd. ("**NTOC**")	Provision of manpower services to NLT (Singapore)	100	100
NetLink Trust Management Services Company Pte. Ltd.	Provision of manpower services to NLT (Singapore). On 1 April 2018, the company was amalgamated with NTOC.	-	100
OpenNet Pte. Ltd. (In Members' Voluntary Liquidation)	Dormant, voluntary liquidation commenced on 10 January 2018. (Singapore)	100	100

All subsidiaries are audited by Deloitte & Touche LLP.

Note 1:

The principal activities are (i) The ducts and manholes business which entails the ownership, installation, operation and maintenance of ducts, manholes, central offices and space in central offices in Singapore for the purposes of telecommunication activities; and (ii) The ownership, installation, operation and maintenance of the passive portion of the Next Generation National Broadband Network of Singapore for the purposes of providing services to provide facilities based operations granted by the Info-communications Media Development Authority which is the successor-in-title of the Info-communications Development Authority of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

23. SUBORDINATED LOAN TO A SUBSIDIARY

On 19 July 2017, the Trust subscribed for $1.1 billion of subordinated notes due in year 2037 issued by NLT, which are qualifying project debt securities. The notes bear interest of 10.5% per annum, payable semi-annually in arrears on 31 March and 30 September each year.

24. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables				
- Third parties	16,242	13,507	26	6
- Substantial Unitholder	173	210	-	-
- Subsidiaries of a substantial shareholder of the substantial Unitholder	87	85	-	-
- Other related parties	1,590	1,266	291	225
Other payables				
- Third parties	648	719	-	-
- Substantial Unitholder	-	79	-	79
Accruals:				
- Property, plant and equipment	9,348	9,869	-	-
- Property, plant and equipment from substantial Unitholder	6,572	4,661	-	-
- Operating expenses	19,408	16,225	204	375
- Operating expenses from substantial Unitholder	1,281	1,076	-	-
Interest payable to third parties	149	136	-	-
Provision for reinstatement cost	525	541	-	-
	56,023	48,374	521	685

Trade and other payables pertaining to third parties, substantial Unitholder, Trustee-Manager of the Trust, related parties in which a subsidiary of a substantial Unitholder and subsidiaries of a substantial shareholder of the substantial Unitholder, are normally settled between 30 to 90 days terms and are non-interest bearing.

The trade payables for related parties consist of:

- Amount owing to a subsidiary of a substantial Unitholder is $1,299,000 (2018: $1,041,000).
- Amount owing to Trustee-Manager is $291,000 (2018: $225,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

25. DEFERRED REVENUE

Group's revenue that was included in deferred revenue at the end of the year/period:

	Group	
	2019 $'000	2018 $'000
Amounts received/receivable for ducts and manholes services[i]	7,555	7,778
Amounts received/receivable for diversion services[ii]	3,031	3,037
Amounts received/receivable for service activation charge[iii]	7,788	1,219
Amounts receivable for which collection is uncertain[iv]	3,576	451
Amounts received in advance for installation-related revenue[v]	39	-
Balance at end of year/period	21,989	12,485

(i) Revenue received in advance from substantial Unitholder on Listing Date, which is recognised as revenue when the services are rendered.

(ii) Revenue related to diversion services is recognised when the services are completed. When the customer initially prepays for the services, deferred revenue is recognised until the services are provided to the customer.

(iii) The service activation charge (which came into effect from 1 January 2018) relating to the termination of fibre connections is deferred and recognised only upon completion of unpatching works required for the termination of fibre connections.

(iv) Other invoices issued to customers for which services have yet to be rendered or collection is uncertain. Revenue is recognised upon service completion or probable collection. An example is the recovery of costs incurred for cable cut incidents by errant contractors.

(v) Revenue related to installation services is collected in advance and recognised only upon completion of installation works.

As at 31 March 2019, there were no performance obligations that was unsatisfied or partially satisfied, other than performance obligations relating to ducts and manholes services, diversion services, service activation charge and installation-related revenue as described above. As the Group has the right to invoice the customers, the Group has applied the practical expedient to not disclose the related unsatisfied performance obligations.

Group's revenue that was included in deferred revenue at the beginning of the year/period:

	Group	
	2019 $'000	2018 $'000
Amounts received/receivable for ducts and manholes services[i]	223	222
Amounts received/receivable for diversion services[ii]	1,936	1,655
Amounts received/receivable for service activation charge[iii]	164	-
Amounts receivable for which collection is doubtful[iv]	405	-
Amounts received in advance for installation-related revenue[v]	-	-
Recognised as revenue in profit or loss	2,728	1,877

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2019 $'000	**2018 $'000**
Non-current		
Interest rate swaps, designated in hedge accounting relationship (net-settled)	780	244

Interest rate swaps

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows based on various inputs, including the forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, the terms and maturity of each contract, and discounted at rates derived from observable yield curves.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in the "derivative financial instruments" line item in the consolidated statement of financial position.

Group

				Life to date values as at 31 March 2019			Year to date values recognised during the year ended 31 March 2019	
					Carrying amount of the hedging instrument		Hedge effectiveness in reserves	
	Currency	Maturity years	Average rate	Nominal amount of the hedging instrument	Liability	Cost of hedging reserve	Marked to market (loss)/gain through OCI	Fair value hedge/ (income statement loss)
				$'000	$'000	$'000	$'000	$'000
2019								
Cash flow hedge								
Interest rate swaps	SGD	1-2	2.86%	636,000	780	6,713	(537)	(1,216)
2018								
Cash flow hedge								
Interest rate swaps	SGD	2-3	2.91%	510,000	244	7,250	7,250	(3,303)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The cost of hedging reserves is the hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated in hedging reserves is reclassified to profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the Singapore interbank rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount recognised in other comprehensive income is reclassified from equity to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

27. LOANS

	Effective Average Interest rate			
	2019 %	2018 %	2019 $'000	2018 $'000
Unsecured borrowings				
Repayable after one year				
- Bank loans (unsecured)	2.82	2.62	634,554	588,742

Maturity	Terms	Utilised 2019 $'000	Utilised 2018 $'000
March 2021	$510 million Five-Year Term Loan	510,000	510,000
March 2021	$90 million Five-Year RCF	-	-
June 2020	$210 million Three-Year RCF	126,000*	81,000
		636,000	591,000
Transaction costs		(1,446)	(2,258)
		634,554	588,742

* $45 million was drawn down in the financial year ended 31 March 2019 to fund capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

27. LOANS (CONT'D)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 April 2018	Financing cash flows	Non-cash amortisation of transaction fees	31 March 2019
	$'000	$'000	$'000	$'000
Loans	588,742	45,000	812	634,554
	588,742	45,000	812	634,554

	19 June 2017	Acquisition of subsidiary	Financing cash flows	Non-cash amortisation of transaction fees	31 March 2018
	$'000	$'000	$'000	$'000	$'000
Unitholder's loan	-	1,100,477	(1,100,477)	-	-
Loans	-	507,169	81,000	573	588,742
	-	1,607,646	(1,019,477)	573	588,742

28. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred taxes relates to the same fiscal authority.

	Group	
	2019 $'000	2018 $'000
Movement in deferred tax account is as follows:		
Balance at beginning of year/period	552,827	-
Acquisition of subsidiary	-	549,419
(Credited)/charged to profit or loss	(15,920)	3,408
Balance at end of year/period	536,907	552,827

NOTES TO THE FINANCIAL STATEMENTS

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28. DEFERRED TAX LIABILITIES (CONT'D)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year/period were as follows:

Deferred income tax liabilities

Group

	Accelerated tax depreciation	Finance lease receivables	Licence	Others	Total
	$'000	$'000	$'000	$'000	$'000
At 19 June 2017 (date of constitution)	-	-	-	-	-
Acquisition of subsidiary	517,720	15,000	16,317	382	549,419
Charged/(Credited) to profit or loss	3,972	(25)	(540)	1	3,408
At 31 March 2018	521,692	14,975	15,777	383	552,827
Credited to profit or loss	(12,549)	(35)	(720)	(137)	(13,441)
At 31 March 2019	509,143	14,940	15,057	246	539,386

Deferred income tax assets

Group

	Deferred revenue	Total
	$'000	$'000
At 19 June 2017 (date of constitution) and 31 March 2018	-	-
Credited to profit or loss	(2,479)	(2,479)
At 31 March 2019	(2,479)	(2,479)

Net deferred income tax liabilities	
At 31 March 2018	552,827
At 31 March 2019	536,907

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29. UNITS IN ISSUE

	2019	2018	2019	2018
	Number of units		Units in Issue	
			$'000	$'000
Group and Trust				
Balance at beginning of year/period	3,896,971,100	1	3,117,178	*
Issue of units	-	3,896,971,099	-	3,156,547
Less: listing expenses	-	-	-	(39,369)#
Balance at end of year/period	3,896,971,100	3,896,971,100	3,117,178	3,117,178

* Amount less than $1,000.
\# Includes audit fee of $230,000 in connection with the listing of the Trust.

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.

30. EARNINGS PER UNIT

Basic earnings per unit is calculated by dividing profit attributable to unitholders of the Trust by the weighted average number of units on issue during the financial year/period. Diluted earnings per unit is calculated by dividing profit attributable to unitholders of the Trust by the weighted average number of units on issue during the financial year/period (adjusted for the effects of dilutive unit options).

The calculation of the basic earnings per unit attributable to the unitholders of the Trust is based on the following data:

Earnings

	2019 $'000	2018[(a)] $'000
Profit attributable to unitholders of the Trust for basic and diluted earnings per unit computation	77,359	49,950

Number of Units

	2019 '000	2018[(a)] '000
Weighted average number of units on issue applicable for basic and diluted earnings per unit computation	3,896,971	3,892,463

(a) For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group leases certain premises under non-cancellable operating lease agreements. The Group also leases photocopier machines from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to $3,889,000 (2018: $2,094,000). The future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as payable, are as follows:

	2019 $'000	2018 $'000
Not later than one year	3,028	3,085
Later than one year but not later than five years	6,385	8,073
More than five years	10,949	9,648
	20,362	20,806

Included in the future minimum lease payments under non-cancellable operating leases comprise mainly future minimum lease payments with substantial Unitholder which amounted to $16,318,000 (2018: $14,939,000) and with subsidiaries of a substantial shareholder of the substantial Unitholder that has significant influence which amounted to $1,170,000 (2018: $1,217,000).

(b) Finance lease commitments – as lessor

The Group's finance lease commitments as lessor are shown in Note 15.

Included in the future minimum finance lease receivables comprise future minimum finance lease receivables with substantial Unitholder which amounted to $298,774,000 (2018: $304,230,000).

(c) Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements are as follows:

	Group	
	2019 $'000	2018 $'000
Property, plant and equipment	38,811	41,759

There is capital commitment of $25,000 (2018: $7,652,000) with substantial Unitholder as at 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

32. RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties during the financial year/period:

	Group	
	2019 $'000	**2018[(a)] $'000**
Services rendered to a substantial Unitholder	166,550	112,137
Services rendered to subsidiaries of a substantial shareholder of a substantial Unitholder	94,698	61,987
Purchase of services from a Unitholder	6,241	5,014
Purchase of fixed assets from a Unitholder	10,609	150,910
Management fee paid or payable to Trustee-Manager of the Trust	982	948
Purchase of services from subsidiaries of a substantial shareholder of a substantial Unitholder	3,760	1,082
Purchases of goods from subsidiaries of a substantial Unitholder	4,227	2,453

(b) Compensation of directors and key management personnel compensation are as follows:

	Group	
	2019 $'000	**2018[(a)] $'000**
Wages and salaries	2,077	1,651
Employer's contribution to defined contribution plans, including Central Provident Fund	40	33
Other benefits	131	85

The remuneration of directors and key management are determined by the remuneration committee having regard to the performance of individuals and market trends.

33. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's activities expose it to a variety of financial risks arising from its operations. The key financial risks include credit risk, interest rate risk and liquidity risk. Risk management is integral to the whole business of the Group. The Group's overall risk management programme seeks to minimise potential adverse effects of the unpredictability of financial markets on the financial performance of the Group.

The Board of Directors of the Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Trustee-Manager then establishes and implements the detailed financial risk management policies such as authority levels, oversight responsibilities, risk identification and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors of the Trustee-Manager.

The Group uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including interest rate swaps to mitigate the risk of rising interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

[(a)] For the financial period from 19 June 2017 (date of constitution) to 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk, market risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk management

(i) Foreign currency risk

The Group's revenue and expenditure are primarily transacted in Singapore Dollars ("**SGD**"). Foreign currency transactions are minimised and settled using spot rate. There is no significant foreign currency risk.

(ii) Interest rate risk

Summary quantitative data of the Group's interest-bearing financial instruments can be found in section (c) of this Note. The Group's policy is to maintain cash equivalents and borrowings in fixed rate instruments. The Group sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 26 to the financial statements.

The Group has no significant exposure to interest rates cash flow risk as the risk has been hedged through the fixed interest rates obtained by the Group.

(iii) Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Trustee-Manager's assessment of the reasonably possible change in interest rates.

Interest from 100% (2018: 86%) of bank loans has been hedged as at 31 March 2019 and the interest rate is fixed at an average of 2.86% (2018: 2.91%).

With regard to the remaining interest from 14% of bank loan not hedged in 2018, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Profit for the period ended 31 March 2018 would decrease/increase by $405,000. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(b) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2019, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

For the Group, there is a significant concentration of credit risk to their major customers which is a substantial Unitholder and subsidiary of a substantial shareholder of a substantial Unitholder of the Trust for the duration of the respective service contracts entered into. The Group monitors the credit risk by ensuring that payments are received by the contracted payment date.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. FINANCE RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(b) Overview of the Group's exposure to credit risk (cont'd)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
					$'000	$'000	$'000
Group							
2019							
Trade receivables							
Substantial Unitholder	13	A+*	(i)	Lifetime ECL	21,186	-	21,186
Subsidiaries of a substantial shareholder of the substantial Unitholder	13	N.A.	(i)	Lifetime ECL	9,144	-	9,144
Third parties	13	N.A.	(i)	Lifetime ECL	11,170	(81)	11,089
Other receivables	13	N.A.	Performing	12-month ECL	5,506	-	5,506
Contract assets	14	N.A.	(i)	Lifetime ECL	28,909	-	28,909
Finance lease receivables	15	N.A.	(i)	Lifetime ECL	87,880	-	87,880
Other current asset							
Deposit	17	N.A.	Performing	12-month ECL	144	-	144
Rental deposit	19	N.A.	Performing	12-month ECL	667	-	667
						(81)	
2018							
Trade receivables							
Substantial Unitholder	13	A+*	(i)	Lifetime ECL	15,906	-	15,906
Subsidiaries of a substantial shareholder of the substantial Unitholder	13	N.A.	(i)	Lifetime ECL	7,840	-	7,840
Third parties	13	N.A.	(i)	Lifetime ECL	7,911	(181)	7,730
Other receivables	13	N.A.	Performing	12-month ECL	8,359	-	8,359
Contract assets	14	N.A.	(i)	Lifetime ECL	23,676	-	23,676
Finance lease receivables	15	N.A.	(i)	Lifetime ECL	88,088	-	88,088
Other current asset							
Deposit	17	N.A.	Performing	12-month ECL	117	-	117
Rental deposit	19	N.A.	Performing	12-month ECL	713	-	713
						(181)	

* The external credit rating is based on Standard and Poor's rating as at 31 March 2019.

N.A. = Not applicable

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. FINANCE RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(b) Overview of the Group's exposure to credit risk (cont'd)

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount
					$'000	$'000	$'000
Trust							
2019							
Trade receivables							
Third parties	13	N.A.	(i)	Lifetime ECL	33	-	33
Other receivables							
– subsidiaries	13	N.A.	Performing	12-month ECL	57,591	-	57,591
2018							
Trade receivables							
Third parties	13	N.A.	(i)	Lifetime ECL	94	-	94
Other receivables							
– subsidiaries	13	N.A.	Performing	12-month ECL	81,008	-	81,008

(i) As per Note 2.9(i), NetLink Group recognises lifetime ECL for trade receivables, contract assets and finance lease receivables, and has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix and taking into account the historical default experience. Notes 13, 14 and 15 include further details on the loss allowance for these assets respectively. For all other financial assets, the Group measures the loss allowance applying an amount equal to 12-month ECL.

(c) Credit risk management

Of the trade and other receivables and contract assets balance at the end of the year, $52.4 million (2018: $41.2 million) is due from substantial Unitholder and subsidiary of a substantial shareholder of a substantial Unitholder of the Group. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to substantial Unitholder and subsidiary of a substantial shareholder of a substantial Unitholder of the Group did not exceed 69.1% (2018: 64.9%) of total trade and other receivables and contract assets at year end.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

<u>Collateral held as security and other credit enhancements</u>

The maximum credit risk exposure is represented by the carrying value of each financial asset in the statement of financial position less collateral held. Collaterals in the form of cash are obtained from counterparties where appropriate.

Cash and fixed deposits are placed with banks which are regulated and with high credit ratings.

N.A. = Not applicable

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. FINANCE RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(d) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages their liquidity risk by maintaining a sufficient level of cash and cash equivalents deemed adequate by the Trustee-Manager to finance the Group's operations including servicing of financial obligations and to mitigate the effects of fluctuations in cash flow. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Group has $174 million (2018: $219 million) of undrawn committed borrowing facilities available for working capital and general corporate use.

Non-derivative financial liabilities

The table below analyses the maturity profile of the Group's and Trust's financial liabilities based on contractual undiscounted cash flows.

	Effective interest rate	Within 1 year	Between 2 and 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
2019					
Group					
Loans	2.82	17,123	650,636	(33,206)	634,554
Trade and other payables	-	56,023	-	-	56,023
		73,146	650,636	(33,206)	690,577
Trust					
Trade and other payables	-	521	-	-	521
2018					
Group					
Loans	2.62	14,648	618,884	(44,790)	588,742
Trade and other payables	-	48,374	-	-	48,374
		63,022	618,884	(44,790)	637,116
Trust					
Trade and other payables	-	685	-	-	685

All non-derivative financial assets are recoverable within 1 year except for finance lease receivables disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. FINANCE RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(e) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Group

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair Value as at ($'000)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2019	31 March 2018				
	Liabilities					
Interest rate swaps	780	244	Level 2	Note 1	N.A.	N.A.

Note 1: Discounted cash flow where the future cash flows are estimated based on various inputs, including the forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, the terms and maturity of each contract, and discounted at rates derived from observable yield curves.

The Trust has no financial assets or liabilities that are measured at fair value on a recurring basis.

(f) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern and to ensure that all externally imposed capital requirements are complied with.

The capital requirements of the capital structure of the Group consists of equity attributable to unitholders, comprising units in issue, retained earnings and hedging reserves.

(g) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Please refer to Note 33(h).

The carrying value less loss allowance of trade receivables approximates their fair values. The carrying amounts of finance lease receivables, subordinated loan to a subsidiary and bank loans approximate their fair value.

N.A. = Not applicable

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

33. FINANCE RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

(h) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year/period:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Financial Assets				
Financial assets at amortised cost	313,146	318,878	1,157,847	1,181,963
Financial Liabilities				
Financial liabilities at amortised cost	690,577	637,116	521	685
Derivative Instruments:				
Designated in hedge accounting relationships	780	244	-	-

34. DISTRIBUTION TO UNITHOLDERS

Distribution paid during the year:

	Group and Trust	
	2019 $'000	2018 $'000
Distribution of $3.24 per unit for the period from 19 July 2017 to 31 March 2018 and paid on 8 June 2018	126,262	-
Distribution of $2.44 per unit for the period from 1 April 2018 to 30 September 2018 and paid on 27 November 2018	95,086	-
	221,348	-

35. SUBSEQUENT EVENT

Subsequent to the end of reporting year, the Trustee-Manager approved a distribution of $95,086,095 or 2.44 Singapore cents per unit in respect of financial period from 1 October 2018 to 31 March 2019 and it has not been adjusted for the current financial year in accordance with SFRS(I) 10 *Events After the Reporting Period*.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

1. INDEPENDENCE OF DIRECTORS

The Board of Directors (the "**Board**") had conducted an annual review of the independence of the Independent Directors in accordance with the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") and the Business Trusts Regulations 2005 (the "**BTR**").

NetLink NBN Management Pte. Ltd.

Having reviewed the independence of Mr Chaly Mah Chee Kheong, Mr Ang Teik Lim Eric, Ms Koh Kah Sek, Ms Ku Xian Hong and Mr Yeo Wico, as of the date of this document, the Board is satisfied that the independent Directors are independent from the Trustee-Manager and business relationships with the Trustee-Manager and from DBS Trustee Limited ("**DBS Trustee**"), the substantial shareholder of the Trustee-Manager, and its holding companies based on the reasons set out below.

Mr Chaly Mah Chee Kheong

As NetLink NBN Trust and its subsidiaries (collectively, the "**Group**") provides essential utilities services in Singapore, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations and companies on which Mr Chaly Mah Chee Kheong serves or had served as a director or an executive officer or partnership of which he was a partner, in the ordinary course of business.

The Board has determined that Mr Chaly Mah Chee Kheong is independent from business relationships with the Trustee-Manager and its related corporations, and is therefore an independent Director. The Board has reached this conclusion based on the following reason:

- the Group provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Mr Chaly Mah Chee Kheong's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

1. INDEPENDENCE OF DIRECTORS (CONT'D)

Mr Ang Teik Lim Eric

As the Group provides essential utilities services in Singapore, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations and companies on which Mr Ang Teik Lim Eric serves or had served as a director, in the ordinary course of business.

Further, DBS Trustee holds all the shares in the Trustee-Manager. DBS Trustee is a wholly-owned subsidiary of DBS Bank Ltd ("**DBS Bank**"), which in turn is a wholly-owned subsidiary of DBS Group Holdings Ltd (together with its subsidiaries, the "**DBS Group**"). Mr Ang Teik Lim Eric has been employed by the DBS Group since 1978. On 1 June 2014, Mr Ang Teik Lim Eric ceased to be the Head of Capital Markets at DBS and assumed the role of Senior Executive Advisor reporting to the Chief Executive Officer. In his advisory role as Senior Executive Advisor, Mr Ang Teik Lim Eric is principally responsible for business origination and high level relationship building for the DBS Group.

The DBS Group has engaged in transactions with, and/or performed services for the Trustee-Manager and its related corporations in the ordinary course of business and have, and may in the future, engage in commercial banking or investment banking transactions and/or other commercial transactions for which they have received or made payment of, or may in the future receive or make payment of, customary fees.

The Board has determined that Mr Ang Teik Lim Eric is independent from business relationships with the Trustee-Manager and its related corporations and independent from the DBS Group, and is therefore an independent Director. The Board has reached this conclusion based on the following reasons:

- the Group provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Mr Ang Teik Lim Eric's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole;

- the Board noted that in holding the shares of the Trustee-Manager pursuant to the terms of the trust constituting the Singapore NBN Trust dated 21 February 2017 (the "**Share Trust Trust Deed**"), DBS Trustee is acting in its capacity as a professional trustee. In its role as a professional trustee, DBS Trustee will be acting in accordance with the powers and discretions set out in the Share Trust Trust Deed, and such powers and discretions are exercised in accordance with the terms of the Share Trust Trust Deed by employees of DBS Trustee, and not by the board of DBS Trustee nor by the shareholders of DBS Trustee. Mr Ang Teik Lim Eric is not a director nor an employee of DBS Trustee, and has confirmed that he is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of DBS Trustee; and

- the Board noted that while Mr Ang Teik Lim Eric is employed by the DBS Group in an advisory capacity and the DBS Group has engaged in transactions with, and/or performed services for the Trustee-Manager and its related corporations in the ordinary course of business, Mr Ang Teik Lim Eric is not a director of the DBS Group and does not take part in the management of the DBS Group on a day-to-day basis. In his advisory role, he maintains high level relationships with DBS Group's clients and the measures described in this paragraph will ensure that Mr Ang Teik Lim Eric will not be involved in any decision-making process which will involve the engagement of the DBS Group. Mr Ang Teik Lim Eric will abstain from the Board's decisions in relation to the engagement of the DBS Group for various matters. There will thus be no interference with his exercise of independent judgment and his ability to act with regard to the interests of the Unitholders of NetLink NBN Trust as a whole or the best interests of the Trustee-Manager.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

1. INDEPENDENCE OF DIRECTORS (CONT'D)

Ms Koh Kah Sek

As the Group provides essential utilities services in Singapore, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations and companies on which Ms Koh Kah Sek serves or had served as a director or an executive officer, in the ordinary course of business.

Ms Koh Kah Sek is the Executive Director and Chief Financial Officer of Far East Organization and is on the board of directors of various entities within the Far East Organization group and the Sino Group, which entities operate within the real estate, food and beverage and/or hospitality industries (the "**FEO/Sino Entities**"). The FEO/Sino Entities have engaged in commercial transactions with, and/or performed services for, the Trustee-Manager and its (current and future) related corporations in the ordinary course of business and may in the future engage in similar commercial transactions and/or perform similar services, for which they have received, or may in the future receive, fees in respect of such transactions and/or services.

The Board has determined that Ms Koh Kah Sek is independent from business relationships with the Trustee-Manager and its related corporations, and is therefore an independent Director. The Board has reached this conclusion based on the following reasons:

- the Group provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Ms Koh Kah Sek's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole; and

- while Ms Koh Kah Sek is the Executive Director and Chief Financial Officer of Far East Organization and is on the board of directors of the FEO/Sino Entities which have engaged in commercial transactions with, and/or performed services for, the Trustee-Manager and its (current and future) related corporations, (i) such transactions and/or services were on an ad hoc basis and conducted on an arm's length basis and in the ordinary course of business; (ii) Ms Koh Kah Sek was not and will not be involved in any decision-making process for the entering into of such commercial transactions and/or receipt of services involving the FEO/Sino Entities; and (iii) the aggregate payments received by the FEO/Sino Entities in respect of such transactions and/or services did not exceed $10,000 for the financial year ended 31 March 2019.

Ms Ku Xian Hong

As the Group provides essential utilities services in Singapore, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations and companies on which Ms Ku Xian Hong serves or had served as an executive officer in the ordinary course of business.

The Board has determined that Ms Ku Xian Hong is independent from business relationships with the Trustee-Manager and its related corporations, and is therefore an independent Director. The Board has reached this conclusion based on the following reason:

- the Group provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Ms Ku Xian Hong's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

1. INDEPENDENCE OF DIRECTORS (CONT'D)

Mr Yeo Wico

As the Group provides essential utilities services in Singapore, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations and companies on which Mr Yeo Wico serves or had served as a director or partnership of which he is a partner, in the ordinary course of business.

Mr Yeo Wico is a partner at Allen & Gledhill LLP, a Singapore law firm which has provided corporate secretarial and legal services to the Trustee-Manager and its related corporations, and continues to do so from time to time.

Mr Yeo Wico was a non-executive director of SP Services Limited ("**SP Services**") until 28 July 2017. SP Services is regulated by the Energy Market Authority as a Market Support Services Licensee which provides essential utilities services in Singapore (such as reading of electricity meters, management of meter data and facilitation of access to a wholesale electricity market to contestable consumers, as well as supplying electricity to non-contestable consumers) and accordingly, there would be and will continue to be business dealings between the Trustee-Manager and its related corporations, and SP Services in the ordinary course of business.

Accordingly, the Board has determined that Mr Yeo Wico is independent from business relationships with the Trustee-Manager and its related corporations, and is therefore an independent Director. The Board has reached this conclusion based on the following reasons:

- the Group provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Mr Yeo Wico's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole;

- while Allen & Gledhill LLP has provided corporate secretarial and/or legal services from time to time to the Trustee-Manager and its related corporations, Mr Yeo Wico has a less than 5 per cent stake in Allen & Gledhill LLP and the measures described in this paragraph will ensure that Mr Yeo Wico will not be involved in any decision-making process which will involve the appointment of Allen & Gledhill LLP. Mr Yeo Wico will abstain from the Board's decisions in relation to the choice of legal counsel for NetLink NBN Trust, where Allen & Gledhill LLP is involved, for various matters. Regardless of whether Mr Yeo Wico is a Director, the Group will appoint its legal counsel based on their expertise and decide on their fees based on market rates. There will thus be no interference with his exercise of independent judgment and his ability to act with regard to the interests of the Unitholders of NetLink NBN Trust as a whole or the best interest of the Trustee-Manager; and

- the Board understands that SP Services provides essential utilities services to individuals and business entities in Singapore on an arm's length basis and in the ordinary course of business. Therefore, where the business relationships are of such a nature as described above, the Board is of the view that such relationships will not interfere with Mr Yeo Wico's independent judgment and ability to act with regard to the interests of all the Unitholders of NetLink NBN Trust as a whole. Further, Mr Yeo Wico was not involved in the day-to-day management of the operations of SP Services and had abstained from voting at SP Services on any matters in relation to the provision of services to the Trustee-Manager and its related corporations when he was a Director of SP Services.

Mr Lang Tao Yih, Arthur and Mr Slattery Sean Patrick are considered to be non-independent Directors under the BTA and the BTR as they are the management representatives of Singapore Telecommunications Limited, a substantial Unitholder of NetLink NBN Trust.

Mr Tong Yew Heng is the Chief Executive Officer of the Trustee-Manager. As an Executive Director of the Trustee-Manager, he is considered to be non-independent under the BTA and the BTR.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

2. STATEMENT OF POLICIES AND PROCEDURES REQUIRED UNDER BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

The Trustee-Manager has established the following policies and practices in relation to its management and governance of NetLink NBN Trust:

- the trust property of NetLink NBN Trust is properly accounted for and the trust property is kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its personal capacity and in its capacity as the Trustee-Manager of NetLink NBN Trust;

- the Board reviews the business operations of NetLink NBN Trust to ensure it focuses on, (i) investing, directly or indirectly, in, and operating, the ownership, installation, operation and maintenance of ducts, manholes, central offices and space in central offices in Singapore for the purposes of telecommunication activities (the "**D&M Business**"), and the ownership, installation, operation and maintenance of the passive portion of the Next Generation Nationwide Broadband Network for the purposes of providing services under its licence to provide facilities-based operations granted by the IMDA (the "**Fibre Business**"), (ii) selling, leasing or otherwise disposing of the D&M Business and the Fibre Business and exploring any opportunities for the foregoing purposes; and (iii) any business, undertaking or activity associated with, incidental and/or ancillary to the operation of the businesses referred to in (i) and (ii) as set out in the trust deed dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) constituting NetLink NBN Trust (collectively, the "**Trust-Deed**");

- the Trustee-Manager identifies potential conflicts between the interests of the Trustee-Manager and the interests of the Unitholders of NetLink NBN Trust and reviews the measures taken to manage conflicts or potential conflicts and will appoint independent advisors whenever necessary to provide required advice. Non-independent Directors of the Trustee-Manager will abstain from voting whenever there are any conflicts or potential conflicts of interest;

- the Trustee-Manager identifies Interested Person Transactions ("**IPTs**") in relation to NetLink NBN Trust. IPTs are properly accounted for and the IPTs are transacted on normal commercial terms as those extended to third parties. The Audit Committee examines the reports to satisfy themselves that all IPTs are conducted in accordance with applicable requirements of the BTA and any other guidelines as may be applicable. IPTs in relation to NetLink NBN Trust during the financial year ended 31 March 2019 are disclosed on page 169;

- the expenses payable to the Trustee-Manager of NetLink NBN Trust out of trust property are appropriate and in accordance with the Trust Deed and regular internal reviews are carried out to ensure that such expenses payable are in order. Fees and expenses charged to NetLink NBN Trust by NetLink NBN Management Pte. Ltd. out of the trust property are disclosed in Note 32 on page 156 of the financial statements and in paragraph 3 on page 169; and

- the Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the Act and the Listing Manual of the Singapore Exchange Securities Trading Limited.

ADDITIONAL INFORMATION

REQUIRED UNDER THE BUSINESS TRUSTS ACT, CHAPTER 31A OF SINGAPORE AND THE BUSINESS TRUSTS REGULATIONS 2005

3. INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions[1] during the financial year/period (excluding transactions less than $100,000) are as follows:

	Group	
	1 April 2018 to 31 March 2019 $'000	**19 June 2017 to 31 March 2018 $'000**
NetLink NBN Management Pte. Ltd.:		
– Management fees	900	653
– Reimbursement of expenses	82	295
	982	948

[1] Excludes transactions which are regulated by IMDA or where prices are publicly quoted.

USE OF IPO PROCEEDS

As disclosed in the annual report for financial year ended 31 March 2018 ("**2018 Annual Report**"), as of 31 March 2018, proceeds of approximately $2,373.5 million raised by the Trustee-Manager from the initial public offering of NetLink NBN Trust (the "**IPO**") and the exercise of the over-allotment option granted in connection with the IPO (the "**Over-Allotment Option**"), had been utilised in accordance with the intended use of such proceeds. As of 31 March 2019, the remaining proceeds of $0.6 million from the Over-Allotment Option have been used for the general corporate purpose of the Trust, including salaries and other operating expenses. Accordingly, the total proceeds of $2,374.1 million from the IPO and the Over-Allotment Option have been fully utilised in accordance with the intended use of such proceeds as set out in the IPO prospectus.

TRUSTEE-MANAGER FINANCIAL STATEMENTS

CONTENTS

NETLINK NBN MANAGEMENT PTE. LTD.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The Directors of NetLink NBN Management Pte. Ltd. (the "**Company**") are pleased to present their statement together with the audited financial statements of the Company for the financial year ended 31 March 2019.

In the opinion of the Directors, the accompanying financial statements of the Company as set out on pages 176 to 188 are drawn up to give a true and fair view of the financial position of the Company as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are:

Mr Chaly Mah Chee Kheong	(Chairman and Independent Director)
Ms Koh Kah Sek	(Independent Director)
Mr Ang Teik Siew @ Ang Teik Lim Eric	(Independent Director)
Ms Ku Xian Hong	(Independent Director)
Mr Yeo Wico	(Independent Director)
Mr Lang Tao Yih, Arthur	(Non-Executive Director)
Mr Slattery Sean Patrick	(Non-Executive Director)
Mr Tong Yew Heng	(Chief Executive Officer and Executive Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the Directors who held office at the end of the financial year had an interest in shares or debentures of the Company and related corporations either at the beginning or at the end of the financial year.

SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company were granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of financial year, there were no unissued shares of the Company under option.

NETLINK NBN MANAGEMENT PTE. LTD.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors

Chaly Mah Chee Kheong
Chairman

Tong Yew Heng
Director

Singapore
13 May 2019

NETLINK NBN MANAGEMENT PTE. LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETLINK NBN MANAGEMENT PTE LTD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NetLink NBN Management Pte. Ltd. (the "**Company**"), which comprise the statement of financial position of the Company as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 176 to 188.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

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 Company in accordance with the Accounting and Corporate Regulatory Authority *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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 172 to 173.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management 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, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

NETLINK NBN MANAGEMENT PTE. LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETLINK NBN MANAGEMENT PTE LTD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Company'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 Company 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.

We communicate with the directors 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

13 May 2019

NETLINK NBN MANAGEMENT PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $	2018[(a)] $
Revenue	4	982,113	927,209
Operating expenses		(941,419)	(881,876)
Profits before tax	5	**40,694**	**45,333**
Income tax	6	(3,034)	(2,743)
Profits after tax representing total comprehensive income for the financial year/period		**37,660**	**42,590**

(a) For the financial period from 21 February 2017 (date of incorporation) to 31 March 2018.

The accompanying notes pages 180 to 188 form an integral part of these financial statements. Independent Auditors' Report – Pages 174 to 175.

NETLINK NBN MANAGEMENT PTE. LTD.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 $	2018 $
ASSET			
Current assets			
Cash and bank balances	7	15,082	14,629
Prepayments		13,045	13,616
Trade receivable from a related party	8	291,277	246,400
		319,404	274,645
LIABILITY			
Current liabilities			
Accrued operating expenses		236,115	229,307
Income tax payable		3,034	2,743
		239,149	232,050
Net assets		**80,255**	**42,595**
SHAREHOLDER'S EQUITY			
Share capital	9	5	5
Accumulated profits		80,250	42,590
Total equity		**80,255**	**42,595**

NETLINK NBN MANAGEMENT PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2019

	Note	Share capital	Accumulated profits	Total
		$	$	$
Balance as at 1 April 2018	9	5	42,590	42,595
Profits for the year representing total comprehensive income for the financial year		-	37,660	37,660
Balance as at 31 March 2019		**5**	**80,250**	**80,255**

2018[a]

	Note	Share capital	Accumulated profits	Total
		$	$	$
Balance as at 21 February 2017 (date of incorporation)	9	5	-	5
Profits for the period representing total comprehensive income for the financial period		-	42,590	42,590
Balance as at 31 March 2018		**5**	**42,590**	**42,595**

[a] For the financial period from 21 February 2017 (date of incorporation) to 31 March 2018.

The accompanying notes pages 180 to 188 form an integral part of these financial statements. Independent Auditors' Report – Pages 174 to 175.

NETLINK NBN MANAGEMENT PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $	2018[a] $
Operating activities			
Profits before tax		40,694	45,333
Operating cash flows before working capital changes		**40,694**	**45,333**
Changes in working capital:			
- Prepayments		571	(13,616)
- Trade receivable from a related party		(44,877)	(246,400)
- Accrued operating expenses		6,808	229,307
Cash generated from operations		**3,196**	**14,624**
Income tax paid		(2,743)	-
Net cash generated from operating activities		**453**	**14,624**
Financing activities			
Issue of share capital		-	5
Net cash generated from financing activities		**-**	**5**
Net increase in cash and cash equivalents		453	14,629
Cash and cash equivalents at beginning of financial year/period		14,629	-
Cash and cash equivalents at end of financial year/period	7	**15,082**	**14,629**

[a] For the financial period from 21 February 2017 (date of incorporation) to 31 March 2018.

The accompanying notes pages 180 to 188 form an integral part of these financial statements. Independent Auditors' Report – Pages 174 to 175.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL

The Company (Registration No. 201704783K) was incorporated in the Republic of Singapore with its principal place of business and registered office at 750E Chai Chee Road, #07-03 Viva Business Park, Singapore 469005.

The principal activity of the Company is to act as Trustee-Manager of NetLink NBN Trust (the "**Trust**"). The Trust is a business trust constituted by a trust deed and regulated by the Business Trust 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 July 2017.

DBS Trustee Limited (as share trustee of Singapore NBN Trust) holds all shares of the Company (being the trustee-manager of the Trust) on trust for the benefit of the beneficiaries of Singapore NBN Trust (being the unitholders of the Trust) pari passu, each of whom has an undivided interest in the Company in proportion to their respective percentage of units held or owned by each of them in the Trust. Singapore NBN Trust is a business trust constituted by a trust deed dated 21 February 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("**FRSs**").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("**INT FRS**") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current year, except as disclosed below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Company applied FRS 109 with an initial application date of 1 April 2018. The Company has applied the requirements retrospectively and there are no change in classification and measurement of financial assets and liabilities and no change in numbers, except for disclosures relating to expected credit loss ("**ECL**") of financial assets.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in Note 2.4.

(a) Classification and measurement of financial assets and financial liabilities

The Company has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria:

- The determination of the business model within which a financial asset is held;
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

There are no changes in classification and measurement of the Company's financial assets and financial liabilities.

(b) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the Company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost to which the impairment requirements of FRS 109 apply. There are no adjustments to the loss allowance recognised by the Company due to the adoption of FRS 109.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue and the related Interpretations*. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The Company has applied FRS 115 using the retrospective approach. All requirements of FRS 15 have been applied retrospectively, there was no change to the accounting policy relating to revenue recognition. The Company applied FRS 115 with an initial application date of 1 April 2018. Apart from more extensive disclosure, there are no adjustments to the financial statements line items affect by the application of FRS 115.

The Company's significant accounting policies for its revenue streams are disclosed in Note 2.8.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, there are no FRSs, INT FRSs and amendments to FRS issued but not yet effective that will have a material impact on the financial statements in the period of their initial application.

2.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

2.4.1 Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade receivable from a related party that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("**ECL**") on trade receivable from a related party. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivable from a related party. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2.4 FINANCIAL INSTRUMENTS (CONT'D)

2.4.1 Financial assets (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the profit or loss.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2.4 FINANCIAL INSTRUMENTS (CONT'D)

2.4.2 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities include "accrued operating expenses".

Other financial liabilities

Accrued operating expenses are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.5 OFFSETTING ARRANGEMENTS

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.6 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

2.7 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2.8 REVENUE RECOGNITION

The Company acts as the Trustee-Manager of NetLink NBN Trust in accordance with the Trust Deed dated 19 June 2017 which constituted NetLink NBN Trust.

The Company recognises revenue from the provision of management services and revenue relates to the management fees in accordance with the Trust Deed. Revenue is recognised over the period which management services are being rendered.

2.9 INCOME TAX

Income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company operates by the end of the reporting period.

2.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("functional currency"). The financial statements of the Company are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

Transactions in currencies other than the Company's functional currency are recorded at the bank rate of exchange prevailing on the date of the transaction. At end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has not made any critical judgement which may have a significant effect on the amounts recognised in the financial statements.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 REVENUE

Revenue relates to management fee which is receivable quarterly in arrears and in accordance with the Trust Deed that the Company has entered into with NetLink NBN Trust.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5 PROFITS BEFORE TAX

The following items have been included in arriving at profit before tax:

	2019 $	2018[(a)] $
Directors' fees	820,000	818,356

6 INCOME TAX

The income tax on the results differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2019 $	2018[(a)] $
Profit before tax	40,694	45,333
Tax calculated at a tax rate of 17%	6,918	7,707
Income not subject to tax purposes	(3,884)	(4,278)
Effect of tax relief	-	(686)
	3,034	2,743

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	2019 $	2018 $
Cash and bank balances	15,082	14,629

8 TRADE RECEIVABLE FROM A RELATED PARTY

The receivable is from NetLink NBN Trust. The receivable is trade in nature, non-interest bearing and on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For the purpose of impairment assessment, the trade receivable from NetLink NBN Trust is considered to have low credit risk as the timing of payment is controlled by the Company as Trustee-Manager of NetLink NBN Trust and taking into account cash flow management within the NetLink NBN Trust group.

In determining the ECL, management has taken into account the financial position of NetLink NBN Trust, adjusted for factors that are specific to NetLink NBN Trust and general economic conditions of the industry NetLink NBN Trust operates, in establishing the probability of default. Management determines that the probability of default is low and ECL is not material.

There has been no change in the estimate techniques or significant assumptions made during the current and previous reporting period.

(a) For the financial period from 21 February 2017 (date of incorporation) to 31 March 2018.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9 SHARE CAPITAL

Issued and paid up ordinary share capital

	2019 Shares and $	2018 Shares and $
Balance at beginning financial year/date of incorporation and end of financial year/period	5	5

All issued shares are fully paid, have no par value, and carry one vote per share and a right to dividends as and when declared by the Company.

10 RELATED PARTY TRANSACTIONS

	2019 $	2018[(a)] $
Management fees received/receivable from NetLink NBN Trust	982,113	927,209

11 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	2019 $	2018 $
Financial assets		
Financial assets at amortised cost	306,359	261,029
Financial liabilities		
Financial liabilities at amortised cost	236,115	229,307

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Board reviews and manage each of these risks and they are summarised below:

(a) Credit risk management

The Company develops and maintain its credit risk ratings to categorise exposures according to their degree of risk of default. The Company uses its trading records to rate its revenue from NetLink NBN Trust. The Company's current risk rating framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the customer is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

(a) For the financial period from 21 February 2017 (date of incorporation) to 31 March 2018.

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(a) Credit risk management (cont'd)

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$	$	$
2019						
Trade receivable from a related party	8	Performing	Lifetime ECL	291,277	-	291,277
2018						
Trade receivable from a related party	8	Performing	Lifetime ECL	246,400	-	246,400

(b) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities.

(c) Foreign currency risk management

The Company's transactions are mostly transacted in Singapore Dollars. There is no significant foreign currency risk.

(d) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital requirements of the capital structure of the Company consists of equity attributable to shareholders, comprising share capital and accumulated profits.

(e) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Management has determined that the carrying amounts of trade receivable from a related party, and accrued operating expenses reasonably approximate their fair values because they are mostly short-term in nature.

12 COMPARATIVE FIGURES

The financial statements for 2019 cover the financial year from 1 April 2018 to 31 March 2019. The financial statements for 2018 cover the financial period from date of incorporation on 21 February 2017 to 31 March 2018.

13 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 13 May 2019.

STATISTICS OF UNITHOLDINGS

AS AT 30 MAY 2019

ISSUED AND FULLY PAID UNITS

3,896,971,100 Units (Voting rights: 1 vote per Unit)
There is only one class of units in NetLink NBN Trust

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	5	0.02	144	0.00
100 - 1,000	3,540	12.77	3,453,300	0.08
1,001 - 10,000	15,873	57.26	70,079,600	1.80
10,001 - 1,000,000	8,247	29.75	391,079,447	10.04
1,000,001 and above	56	0.20	3,432,358,609	88.08
TOTAL	**27,721**	**100.00**	**3,896,971,100**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	SINGTEL INTERACTIVE PTE. LTD.	965,999,999	24.79
2	CITIBANK NOMINEES SINGAPORE PTE LTD	865,249,859	22.20
3	DBS NOMINEES (PRIVATE) LIMITED	804,036,397	20.63
4	HSBC (SINGAPORE) NOMINEES PTE LTD	215,737,850	5.54
5	RAFFLES NOMINEES (PTE.) LIMITED	191,676,361	4.92
6	DBSN SERVICES PTE. LTD.	89,896,981	2.31
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	38,109,200	0.98
8	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	35,510,297	0.91
9	OCBC SECURITIES PRIVATE LIMITED	27,363,100	0.70
10	GUTHRIE VENTURE PTE LTD	17,400,000	0.45
11	DB NOMINEES (SINGAPORE) PTE LTD	14,247,400	0.37
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,439,668	0.32
13	NTUC FAIRPRICE CO-OPERATIVE LTD	12,000,000	0.31
14	UOB KAY HIAN PRIVATE LIMITED	10,856,400	0.28
15	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	9,125,000	0.23
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,789,886	0.23
17	PHILLIP SECURITIES PTE LTD	8,334,611	0.21
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,958,000	0.20
19	AAH INVESTMENT PTE LTD	7,827,200	0.20
20	BPSS NOMINEES SINGAPORE (PTE.) LTD.	7,039,600	0.18
TOTAL		**3,349,597,809**	**85.96**

STATISTICS OF UNITHOLDINGS

AS AT 30 MAY 2019

SUBSTANTIAL UNITHOLDERS

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager as at 30 May 2019, the Substantial Unitholders of NetLink NBN Trust and their interests in the Units of NetLink NBN Trust are as follows:

	Direct interest		Deemed interest	
Name	**No. of Units**	**%**	**No. of Units**	**%**
Singtel Interactive Pte. Ltd.	965,999,999	24.79	-	-
Singapore Telecommunications Limited[1]	-	-	965,999,999	24.79
Temasek Holdings (Private) Limited[2]	-	-	1,061,132,799	27.22

Notes:

1 Singtel Interactive Pte. Ltd. is a wholly-owned subsidiary of Singapore Telecommunications Limited ("**Singtel**"). Accordingly, Singtel is deemed to have an interest in the 965,999,999 units of NetLink NBN Trust that Singtel Interactive Pte. Ltd. holds.

2 Temasek Holdings (Private Limited) ("**Temasek**") is the majority shareholder of Singtel. Accordingly, Temasek is deemed to be interested in the 965,999,999 units in which Singtel has a deemed interest. In addition, under the Securities and Futures Act, Chapter 289 of Singapore, Temasek is deemed to be interested in a further 95,132,800 units through an associated company and an investment fund in which Temasek has an indirect interest. Singtel and the associated company referred to above are independently-managed Temasek portfolio companies. The investment fund referred to above is an independently-managed investment fund in which Temasek has an indirect interest. Temasek is not involved in their business or operating decisions, including those regarding their positions in units of NetLink NBN Trust.

PUBLIC UNITHOLDERS

Based on the information available to the Trustee-Manager as at 30 May 2019, approximately 72.73% of the issued Units in NetLink NBN Trust is held by the public and therefore, pursuant to Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in NetLink NBN Trust is at all times held by the public.

As at 30 May 2019, there are no treasury units held and there are no subsidiary holding.

NOTICE OF ANNUAL GENERAL MEETING

NetLink NBN Trust
(a business trust constituted on 19 June 2017 under the laws of the Republic of Singapore and registered under the Business Trusts Act, Chapter 31A of Singapore (Registration Number: 2017002))

Managed by NetLink NBN Management Pte. Ltd.
(Company Registration Number: 201704783K)
(the "**Trustee-Manager**")

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of NetLink NBN Trust will be held at Stephen Riady Auditorium, NTUC Centre, No. 1 Marina Boulevard, One Marina Boulevard, Level 7, Singapore 018989 on Friday, 19 July 2019 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of NetLink NBN Trust for the financial year ended 31 March 2019 together with the Independent Auditor's Report therein.

(Ordinary Resolution 1)

2. To re-appoint Deloitte & Touche LLP as Auditors of NetLink NBN Trust to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Trustee-Manager to fix their remuneration.

(Ordinary Resolution 2)

AS SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without any modifications, the following resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution – General mandate to issue units in NetLink NBN Trust ("**Units**")

That pursuant to Clause 6.1 of the deed of trust dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) constituting NetLink NBN Trust (collectively, the "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**"), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Trustee-Manager to:

(a) (i) issue Units, whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

The joint issue managers of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and UBS AG, Singapore Branch. The joint underwriters of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., UBS AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited. The joint issue managers and joint underwriters of the initial public offering assume no responsibility for the contents of this Notice.

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instruments made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

(i) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed 10% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (i) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(aa) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(bb) any subsequent bonus issue, consolidation or subdivision of Units;

(iii) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(iv) unless revoked or varied by the Unitholders of NetLink NBN Trust in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or (ii) the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is earlier;

(v) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(vi) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of NetLink NBN Trust to give effect to the authority conferred by this Resolution.

[See Explanatory Note 1] **(Ordinary Resolution 3)**

By Order of the Board

NetLink NBN Management Pte. Ltd.
(Registration Number: 201704783K)
(as trustee-manager of NetLink NBN Trust)

Lai Kuan Loong, Victor
Albert Lim Aik Seng
Company Secretaries

Singapore, 24 June 2019

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE:

(1) Ordinary Resolution 3, if passed, will empower the Trustee-Manager, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by NetLink NBN Trust in a general meeting of Unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) of which up to 10% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) may be issued other than on a pro rata basis to existing Unitholders.

For determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time Resolution 3 is passed, after adjusting for (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time when this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Units.

Notes:

1. A Unitholder who is not a relevant intermediary is entitled to attend and vote at this Annual General Meeting, and is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints two proxies and does not specify the number of Units to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

2. A Unitholder who is a relevant intermediary may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at this Annual General Meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) (if applicable) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore (the "**Central Provident Fund Act**"), in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies must be deposited at the office of NetLink NBN Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.

4. A corporation, being a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, in accordance with the Trust Deed.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing and administration by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

IMPORTANT:
1. **PLEASE READ THE NOTES TO THE PROXY FORM OVERLEAF.**
2. Coffee, tea and bottled water will be served at the AGM.

NetLink NBN Trust

(a business trust constituted on 19 June 2017 under the laws of the Republic of Singapore and registered under the Business Trusts Act, Chapter 31A of Singapore (Registration Number: 2017002))

Managed by NetLink NBN Management Pte. Ltd.
(Company Registration Number: 201704783K)
(the "**Trustee-Manager**")

I/We, ______________________________ NRIC/Passport No./Co. Reg. No. ____________________

of ____

being a unitholder/unitholders of NetLink NBN Trust, hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") of NetLink NBN Trust as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at Stephen Riady Auditorium, NTUC Centre, No. 1 Marina Boulevard, One Marina Boulevard, Level 7, Singapore 018989 on Friday, 19 July 2019 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	No. of Votes For*	No. of Votes Against*
ORDINARY BUSINESS			
1	Receive and Adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of NetLink NBN Trust for the financial year ended 31 March 2019 together with the Independent Auditor's Report therein		
2	Re-appoint Deloitte & Touche LLP as Auditors of NetLink NBN Trust and authorise Directors to fix their remuneration		
SPECIAL BUSINESS			
3	Authority to issue new units in NetLink NBN Trust		

* *If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ____________ day of ____________ 2019

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

____

Signature of Unitholder(s) or Common Seal of Corporate Unitholder

Notes:

1. Please insert the total number of units in NetLink NBN Trust ("**Units**") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Holders, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Holders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Holders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.
2. A Unitholder of NetLink NBN Trust who is not a relevant intermediary is entitled to attend and vote at a meeting of NetLink NBN Trust and is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of NetLink NBN Trust.
3. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.
4. A Unitholder of NetLink NBN Trust who is a relevant intermediary is entitled to attend the meeting of NetLink NBN Trust and is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each Unitholder must be appointed to exercise the rights attached to a different unit or units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) (if applicable) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore (the "**Central Provident Fund Act**"), in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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5. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. The instrument appointing a proxy or proxies must be deposited at the office of NetLink NBN Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid. No instrument appointing a proxy or proxies shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
8. A corporation, being a Unitholder, may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, in accordance with the deed of trust dated 19 June 2017 (as amended and restated by the First Amending and Restating Deed dated 25 July 2018) constituting NetLink NBN Trust.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 24 June 2019.

GENERAL:

The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any instrument appointing a proxy or proxies lodged if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

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Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09471

NetLink NBN Management Pte. Ltd.
(as Trustee-Manager of NetLink NBN Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Glue all sides firmly

Glue all sides firmly

Glue all sides firmly

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Chaly Mah Chee Kheong
(Chairman)

Mr Eric Ang Teik Lim

Ms Koh Kah Sek

Ms Ku Xian Hong

Mr Yeo Wico

Mr Arthur Lang Tao Yih

Mr Slattery Sean Patrick

Mr Tong Yew Heng

AUDIT COMMITTEE

Ms Koh Kah Sek
(Chairman)

Mr Eric Ang Teik Lim

Mr Yeo Wico

NOMINATING COMMITTEE

Mr Eric Ang Teik Lim
(Chairman)

Mr Chaly Mah Chee Kheong

Mr Arthur Lang Tao Yih

REMUNERATION COMMITTEE

Mr Chaly Mah Chee Kheong
(Chairman)

Mr Eric Ang Teik Lim

Mr Arthur Lang Tao Yih

RISK AND REGULATORY COMMITTEE

Mr Slattery Sean Patrick
(Chairman)

Mr Chaly Mah Chee Kheong

Ms Ku Xian Hong

COMPANY SECRETARIES

Mr Lai Kuan Loong, Victor

Mr Albert Lim Aik Seng

REGISTERED OFFICE

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Fax: 6449 0221
Website: www.netlinknbn.com

UNIT REGISTRAR

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50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623
Tel: 6536 5355
Fax: 6536 1360
Website: www.boardroomlimited.com

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809
Tel: 6224 8288
Fax: 6538 6166
Partner-in-charge: Mr Yang Chi Chih
(Appointed with effect from 25 July 2018)

IR CONTACT

For enquiries on the Group's business performance, contact the Investor Relations team at investor@netlinknbn.com.

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