

**NETLINK NBN TRUST
AND ITS SUBSIDIARIES**

FINANCIAL STATEMENTS ANNOUNCEMENT

FOR THE HALF YEAR

ENDED 30 SEPTEMBER 2022

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

INTRODUCTION

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed under the laws of Republic of Singapore. The Trust was listed on 19 Jul 2017 on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). NetLink Trust, an unregistered business trust, is wholly owned by the Trust. The Trust and its subsidiaries taken as a whole shall hereinafter be referred to as “NetLink Group” or “Group”.

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

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

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

The NetLink Group is the only telco regulated by IMDA under the Regulated Asset Base (“RAB”) regime which allows it to recover the cost of investment, operating expenditure and earn a regulated rate of return for its fibre network assets.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

SUMMARY OF THE NETLINK GROUP RESULTS

	Half Year Ended 30 Sep		Variance %
	2022 ("H1 FY23") \$'000 (Unaudited)	2021 ("H1 FY22") \$'000 (Unaudited)	
Revenue ⁽¹⁾	199,595	187,930	6.2
EBITDA ⁽²⁾⁽³⁾	145,568	126,591	15.0
EBITDA margin ⁽²⁾⁽³⁾	72.9%	67.4%	5.5 pp
Profit after tax ("PAT")⁽²⁾	54,560	40,082	36.1

Note:

- (1) Revenue for H1 FY23 was higher than H1 FY22 by 6.2%. The increase in H1 FY23 was mainly due to higher ancillary project revenue, connections revenue (residential, non-residential, NBAP and segment), co-location and installation-related revenue. This was partially offset by lower Central Office revenue. Ancillary project revenue contributed most significantly to the increase due to more diversion projects being completed as compared to H1 FY22.
- (2) EBITDA and PAT for H1 FY23 were higher than H1 FY22 by 15.0% and 36.1% respectively. The increase in H1 FY23 EBITDA by \$19.0 million was mainly due to lower other operating expenses, and higher revenue net of its related costs. Operating expenses in H1 FY23 was significantly lower in comparison to H1 FY22 because of the \$12.4 million remeasurement loss recorded in H1 FY22 due to the change in rental rates upon the renewal of the CO lease agreements. PAT for H1 FY23 was higher than H1 FY22 mainly due to higher EBITDA, partially offset by higher finance costs and lower income tax credit.

Further details of the NetLink Group's financial performance are provided in Note 20.

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

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

DISTRIBUTION STATEMENT

Cash Available For Distribution ("CAFD")	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)
Profit before income tax	53,719	36,672
Add: Depreciation and amortisation	84,749	84,768
Add: Other non-cash item	3,041	15,346
Add: Proceeds from Term Loan facility	180,000	-
Add/(less): Changes in working capital	16,366	(4,833)
(Less)/add: Cash taxes	(255)	6,429
Less: Repayment of revolving loan facility	(156,000)	-
Less: Purchase of property, plant and equipment	(38,644)	(32,792)
Less: Repayment of lease liabilities	(1,806)	(1,992)
Less: Payment of loan arrangement fee	(1,215)	(2,570)
Transfer into: Cash held in reserves and provisions for committed capital expenditures	(37,854)	(1,266)
CAFD	<u>102,101</u>	<u>99,762</u>
Distributions Attributable for the Half Year⁽¹⁾	<u>102,101</u>	<u>99,762</u>

Note:

(1) Total distributions paid/payable

	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)	Payment Date
1 Apr 2021 – 30 Sep 2021	-	99,762	1 Dec 2021
1 Apr 2022 – 30 Sep 2022	<u>102,101</u>	<u>-</u>	30 Nov 2022
	<u>102,101</u>	<u>99,762</u>	

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

DISTRIBUTION POLICY

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

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

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

A distribution in the total amount of \$102,100,643 or 2.62 Singapore cents per Unit is declared for NetLink Group's distribution period for the half year ended 30 Sep 2022 and will be payable on 30 Nov 2022 by NetLink NBN Management Pte. Ltd. (in its capacity as the trustee-manager of the Trust) as a distribution in cash to NetLink Group's unitholders.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)	Variance (%)
Revenue		199,595	187,930	6.2
Other income	6.1	2,181	1,275	71.1
Expenses				
Operation and maintenance costs		(9,462)	(8,728)	8.4
Installation costs		(5,281)	(5,113)	3.3
Ancillary project direct costs ^(a)		(7,473)	(2,927)	155.3
Depreciation and amortisation	6.2	(84,749)	(84,768)	-
Staff costs		(14,117)	(14,482)	(2.5)
Finance costs	6.3	(7,593)	(5,319)	42.8
Management fee		(494)	(498)	(0.8)
Other operating expenses	6.4	(18,888)	(30,698)	(38.5)
Total expenses		(148,057)	(152,533)	(2.9)
Profit before income tax		53,719	36,672	46.5
Income tax credit	7	841	3,410	(75.3)
Profit after income tax		54,560	40,082	36.1
Profit attributable to:				
Unitholders of the Trust		54,560	40,082	36.1
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Cash flow hedges		21,106	3,548	N.A.
Total comprehensive income attributable to:				
Unitholders of the Trust		75,666	43,630	73.4
Earnings per unit:				
- basic and diluted		1.40 cents	1.03 cents	
Weighted average number of units ('000) in issue for calculation of basic and diluted earnings per unit		3,896,971	3,896,971	

(a) Further details of the reclassification are provided in Note 19.

N.M.: not meaningful

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

INTERIM STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)

	Note	Group		Trust	
		As at 30 Sep 2022 \$'000 (Unaudited)	As at 31 Mar 2022 \$'000 (Audited)	As at 30 Sep 2022 \$'000 (Unaudited)	As at 31 Mar 2022 \$'000 (Audited)
ASSETS					
Current assets					
Cash and bank deposits		189,621	149,818	59,023	57,774
Trade and other receivables		57,582	66,020	162	117
Contract assets		25,921	29,650	-	-
Finance lease receivables	8	207	201	-	-
Inventories		4,013	4,100	-	-
Other current assets		3,859	5,496	146	173
		281,203	255,285	59,331	58,064
Non-current assets					
Finance lease receivables	8	66,606	66,711	-	-
Property, plant and equipment	9	2,785,617	2,830,678	-	-
Derivative financial instruments	10	41,722	20,616	-	-
Right-of-use assets		34,272	35,658	-	-
Rental deposits		240	240	-	-
Goodwill	11	746,854	746,854	-	-
Licence		73,731	75,850	-	-
Investment in subsidiaries		-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary		-	-	1,100,000	1,100,000
		3,749,042	3,776,607	3,113,673	3,113,673
Total assets		4,030,245	4,031,892	3,173,004	3,171,737
LIABILITIES					
Current liabilities					
Trade and other payables		52,496	55,368	148	247
Deferred revenue		33,617	26,473	-	-
Loans	12	-	155,797	-	-
Lease liabilities		2,044	2,239	-	-
Current tax liabilities		48,902	37,287	4	2
		137,059	277,164	152	249
Non-current liabilities					
Other payables		822	1,313	-	-
Deferred revenue		6,129	8,232	-	-
Loans	12	686,987	507,890	-	-
Lease liabilities		35,361	36,209	-	-
Deferred tax liabilities		471,927	484,638	-	-
		1,201,226	1,038,282	-	-
Total liabilities		1,338,285	1,315,446	152	249
Net Assets		2,691,960	2,716,446	3,172,852	3,171,488
UNITHOLDERS' FUNDS					
Units in issue	13	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficits)/Retained earnings		(466,940)	(421,348)	55,674	54,310
Hedging reserves		41,722	20,616	-	-
Total Unitholders' funds		2,691,960	2,716,446	3,172,852	3,171,488

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

	Group	
	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178
Accumulated deficits at the beginning of period	(421,348)	(313,475)
Profit for the period	54,560	40,082
Distribution paid	(100,152)	(99,373)
Accumulated deficits at the end of period	(466,940)	(372,766)
Hedging reserves at the beginning of period	20,616	-
Other comprehensive income for the period	21,106	3,548
Hedging reserves at the end of period	41,722	3,548
Total	2,691,960	2,747,960

INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

	Trust	
	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)
Units in issue at the beginning and end of the period	3,117,178	3,117,178
Retained earnings at the beginning of period	54,310	54,997
Profit for the period	101,516	98,549
Distribution paid	(100,152)	(99,373)
Retained earnings at the end of period	55,674	54,173
Total	3,172,852	3,171,351

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	H1 FY23 \$'000 (Unaudited)	H1 FY22 \$'000 (Unaudited)
Operating activities		
Profit before income tax	53,719	36,672
Adjustments for:		
- Depreciation and amortisation	84,749	84,768
- Amortisation of transaction fees	470	1,171
- Provision for loss allowance for trade receivables	56	108
- Write-back of provision for stock obsolescence	(23)	(38)
- Interest expense	7,123	4,148
- Interest income	(493)	(168)
- Gain on disposal of property, plant and equipment	(6)	-
- Property, plant and equipment written off	1,240	585
- Remeasurement loss from finance lease receivables	-	12,429
- Share-based payment expenses	659	407
	147,494	140,082
Operating cash flows before working capital changes		
Changes in working capital:		
- Trade and other receivables	10,145	(8,625)
- Contract assets	3,729	396
- Trade and other payables	2,382	2,683
- Inventories	110	713
	163,860	135,249
Cash generated from operations		
Interest received	466	169
Interest paid	(6,457)	(3,465)
Income tax (paid)/refund	(255)	6,429
	157,614	138,382
Net cash generated from operating activities		
Investing activities		
Purchase of property, plant and equipment (Note A)	(38,644)	(32,792)
Proceeds from sale of property, plant and equipment	6	-
	(38,638)	(32,792)
Net cash used in investing activities		
Financing activities		
Payment of loan arrangement fee	(1,215)	(2,570)
Repayment of lease liabilities	(1,806)	(1,992)
Repayment of bank loan	(156,000)	-
Distribution paid	(100,152)	(99,373)
Proceeds from bank loan	180,000	-
	(79,173)	(103,935)
Net cash used in financing activities		
Net increase in cash and cash equivalents	39,803	1,655
Cash and cash equivalents at beginning of financial period	149,818	170,536
	189,621	172,191
Cash and cash equivalents at end of financial period		
Cash and cash equivalents consist of:		
Cash and bank balances	188,957	172,191
Capital expenditure reserve fund ^(a)	664	-
	189,621	172,191
Cash and cash equivalents at end of financial period		

(a) Capex Reserve comprises monies set aside each year for at least 20% of capital expenditure reserve fund, which cumulates to \$40.0 million over the five-year period from 1 Jan 2018 to 31 Dec 2022, to meet regulatory requirements from Infocomm Media Development Authority ("IMDA") for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NetLink Group's network infrastructure. As at 30 Sep 2022, NLT had set aside \$38.0 million for capital expenditure reserve (cumulatively from Jan 2018 to Sep 2022), of which approximately \$37.3 million were utilised to improve network resiliency and expand capacity.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group

NOTE A

Purchase of property, plant and equipment

Less: Accruals for property, plant and equipment at end of financial period

Add: Payment of accruals for property, plant and equipment at beginning of financial period

	H1 FY23	H1 FY22
	\$'000	\$'000
	(Unaudited)	(Unaudited)
	37,258	30,425
	(13,756)	(21,368)
	15,142	23,735
	<u>38,644</u>	<u>32,792</u>

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

NetLink NBN Trust (the “Trust”) was constituted by a trust deed dated 19 Jun 2017 (as amended and restated by the First Amending and Restating Deed dated 25 Jul 2018, the Second Amending and Restating Deed dated 28 Sep 2020, the Third Amending and Restating Deed dated 19 Jul 2021 and the Fourth Amending and Restating Deed dated 20 July 2022) (collectively, the “Trust Deed”). It was registered as a business trust with the Monetary Authority of Singapore on 29 Jun 2017. The Trust is regulated by the Business Trusts Act 2004 and is domiciled in Singapore. The Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 19 Jul 2017.

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

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

2. BASIS OF PREPARATION

The interim financial statements for the half year ended 30 Sep 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 Mar 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

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

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

2. BASIS OF PREPARATION (CONT'D)

2.2. USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements made by the Trustee-Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 Mar 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

(a) Impairment reviews on goodwill and investment in subsidiaries

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

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

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

3. SEASONAL OPERATIONS

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

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

4. SEGMENT INFORMATION

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

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

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 Sep 2022 and 31 Mar 2022.

	Group		Trust	
	As at 30 Sep 2022 \$'000 (Unaudited)	As at 31 Mar 2022 \$'000 (Audited)	As at 30 Sep 2022 \$'000 (Unaudited)	As at 31 Mar 2022 \$'000 (Audited)
Financial Assets				
Financial assets at amortised cost	340,411	312,736	1,159,185	1,157,891
Derivative instruments:				
Designated in hedge accounting relationships	41,722	20,616	-	-
	<u>382,133</u>	<u>333,352</u>	<u>1,159,185</u>	<u>1,157,891</u>
Financial Liabilities				
Financial liabilities at amortised cost	739,483	720,368	148	247
Lease liabilities	37,405	38,448	-	-
	<u>776,888</u>	<u>758,816</u>	<u>148</u>	<u>247</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

6. PROFIT BEFORE TAXATION

6.1. OTHER INCOME

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Net gain on disposal of property, plant and equipment	6	-
Interest income	493	168
Government grants ⁽¹⁾	121	453
Third party compensation ⁽²⁾	697	88
Others ⁽³⁾	864	566
	<u>2,181</u>	<u>1,275</u>

(1) Government grants consists mainly Jobs Support Scheme, Wage Credit Scheme and grant from IMDA for a manhole cover replacement project.

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

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

6.2. TOTAL DEPRECIATION AND AMORTISATION

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	81,079	80,905
Depreciation of right-of-use assets	1,551	1,744
Amortisation of licence	2,119	2,119
	<u>84,749</u>	<u>84,768</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

6. PROFIT BEFORE TAXATION (CONT'D)

6.3. FINANCE COSTS

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Interest expense on:		
- Bank loans	6,782	3,336
- Lease liabilities	598	633
- Others	56	59
Financing related costs	548	1,286
Realised (gain)/loss on interest rate swaps	(391)	5
	<u>7,593</u>	<u>5,319</u>

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

Finance costs	7,593	5,319
Amortisation of transaction fees	(470)	(1,171)
Interest expense	<u>7,123</u>	<u>4,148</u>

6.4. OTHER OPERATING EXPENSES

Other operating expenses include the following items:

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Remeasurement loss from finance lease receivables	-	12,429
Property tax	8,866	8,619
System maintenance costs	4,595	3,982
Property, plant and equipment written off	1,240	585
Provision for loss allowance for trade receivables	56	108
Foreign exchange loss, net	-	4
Write-back of provision for stock obsolescence	<u>(23)</u>	<u>(38)</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

6. PROFIT BEFORE TAXATION (CONT'D)

6.5. RELATED PARTY TRANSACTIONS

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

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Services rendered to a substantial Unitholder	80,999	81,610
Services rendered to subsidiaries of a substantial shareholder of the substantial Unitholder	64,334	53,052
Purchase of services from a substantial Unitholder	2,981	2,650
Purchase of fixed assets from a substantial Unitholder	1,809	156
Management fee paid or payable to Trustee-Manager of the Trust	494	498
Purchase of services from subsidiaries of a substantial shareholder of the substantial Unitholder	1,818	1,835
Purchase of fixed assets from subsidiaries of a substantial shareholder of the substantial Unitholder	141	-
Purchases of goods from subsidiaries of the substantial Unitholder	75	75

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

7. INCOME TAX CREDIT

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

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
<u>Income tax is made up of:</u>		
- Current income tax expense	(12,141)	(10,702)
- Over provision of current income tax in prior year	271	264
	<u>(11,870)</u>	<u>(10,438)</u>
- Deferred income tax due to origination and reversal of temporary differences	12,588	13,793
- Over provision of deferred income tax in prior year	123	55
	<u>841</u>	<u>3,410</u>
Income tax credit recognised in profit or loss	<u>841</u>	<u>3,410</u>

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

	H1 FY23	H1 FY22
	\$'000	\$'000
Group	(Unaudited)	(Unaudited)
Profit before income tax	<u>53,719</u>	<u>36,672</u>
Income tax expense calculated at a tax rate of 17%	(9,132)	(6,234)
Effect of:		
- Income not subject to taxation	-	62
- Expenses not deductible for tax purposes	(325)	(521)
- Tax relief and tax rebate	39	37
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities [^]	9,844	9,844
- Over provision in prior year	394	319
- Others	21	(97)
	<u>841</u>	<u>3,410</u>
Tax credit attributable to current period's profit	<u>841</u>	<u>3,410</u>

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

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

8. FINANCE LEASE RECEIVABLES

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

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

The interest rate inherent in the leases is fixed at the contract date for the duration of the lease terms. The average effective interest rate contracted is approximately 6.2% (31 Mar 2022: 6.2%).

9. PROPERTY, PLANT AND EQUIPMENT

During the half year ended 30 Sep 2022, the Group acquired assets amounting to \$37.3 million (30 Sep 2021: \$30.4 million) and disposed of assets amounting to \$2.5 million (30 Sep 2021: \$2.5 million).

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

10. FAIR VALUE MEASUREMENTS

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

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

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

Group				
30 Sep 2022	Level 1	Level 2	Level 3	Total
(Unaudited)	\$'000	\$'000	\$'000	\$'000

Financial assets

Derivative financial instruments	-	41,722	-	41,722
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Group				
31 Mar 2022	Level 1	Level 2	Level 3	Total
(Audited)	\$'000	\$'000	\$'000	\$'000

Financial assets

Derivative financial instruments	-	20,616	-	20,616
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The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has \$690.0 million (31 Mar 2022: \$666.0 million) bank loan outstanding and has entered into a series of SORA-based interest rate swaps to convert the variable interest rates on its bank loan into fixed interest rates for a total notional principal amount of \$510.0 million (31 Mar 2022: \$510.0 million). Accordingly, 73.9% (31 Mar 2022: 76.6%) of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

11. GOODWILL

The Trustee-Manager has reviewed for indicators of impairment since the end of the financial year ended 31 Mar 2022 and determined that no such indicators were noted as at 30 Sep 2022. The goodwill will be tested for impairment as at 31 Mar 2023.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

12. GROUP'S BORROWINGS AND DEBT SECURITY

Group				
	Effective Average Interest rate ⁽¹⁾ (%)	As at 30 Sep 2022 \$'000 (Unaudited)	Effective Average Interest rate ⁽¹⁾ (%)	As at 31 Mar 2022 \$'000 (Audited)
Unsecured borrowings				
Repayable within one year				
- Bank loans (unsecured)	-	-	0.83	155,797
Repayable after one year				
- Bank loans (unsecured)	1.92	686,987	1.29	507,890
		<u>686,987</u>		<u>663,687</u>
Committed revolving credit facility ("RCF") and term loan				
Commencement Date	Terms	Utilised As at 30 Sep 2022 \$'000 (Unaudited)	Utilised As at 31 Mar 2022 \$'000 (Audited)	
- 19 Mar 2020 ⁽²⁾	\$210 million Three-Year RCF	-	156,000	
- 30 Sep 2022 ⁽³⁾	\$180 million Five-Year Term Loan	180,000	-	
- 30 Sep 2022 ⁽³⁾	\$90 million Three-Year RCF	-	-	
- 21 May 2021	\$510 million Five-Year Term Loan	510,000	510,000	
		<u>690,000</u>	<u>666,000</u>	
	Transaction costs	(3,013)	(2,313)	
		<u>686,987</u>	<u>663,687</u>	

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

(2) \$156.0 million was repaid and the \$210.0 million Three-Year RCF was cancelled on 30 Sep 2022.

(3) A new \$270.0 million facility agreement was entered into on 15 Sep 2022 comprising of a \$180.0 million Five-Year Term Loan which will mature on 15 Sep 2027, and a \$90.0 million Three-Year RCF which will mature on 15 Sep 2025. \$180.0 million was fully drawn on 30 Sep 2022 from the Term Loan facility, which was then used to repay the \$156.0 million drawn from the previous \$210.0 million Three-Year RCF in note (2). The balance of \$24.0 million drawn down will be used to fund capital expenditure.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

13. UNITS IN ISSUE

Group and Trust	As at 30 Sep 2022 Number of units (Unaudited)	As at 31 Mar 2022 Number of units (Audited)	As at 30 Sep 2022 Units in issue (Unaudited)	As at 31 Mar 2022 Units in issue (Audited)
Balance as at beginning of year and at end of period	3,896,971,100	3,896,971,100	3,117,178	3,117,178

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

14. NET ASSET VALUE

	Group		Trust	
	As at 30 Sep 2022 Units (Unaudited)	As at 31 Mar 2022 Units (Audited)	As at 30 Sep 2022 Units (Unaudited)	As at 31 Mar 2022 Units (Audited)
NAV per unit based on issued units at the end of period (cents)	69.1	69.7	81.4	81.4
Number of units in issue at end of period	3,896,971,100	3,896,971,100	3,896,971,100	3,896,971,100

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

15. DISTRIBUTIONS

(a) Current Financial Period Reported on

Amount : \$102,100,643
 Distribution Period : 1 Apr 2022 to 30 Sep 2022
 Distribution Rate : 2.62 Singapore cents per unit
 Tax Rate : Cash distributions to Unitholders are exempt from Singapore income tax.

(b) Date Payable : 30 Nov 2022

(c) Corresponding Period of the Immediately Preceding Financial Year

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

Notice is hereby given that the Unit Transfer Books and Register of Unitholders of the Trust will be closed at 5.00 p.m. on 16 Nov 2022 for the purposes of determining each Unitholder's entitlement to the distribution. Duly completed registrable transfers in respect of Units in the capital of the Trust received by the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 16 Nov 2022 will be registered to determine Unitholders' entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 16 Nov 2022 will be entitled to the distribution to be paid on 30 Nov 2022.

16. SUBSEQUENT EVENTS

Subsequent to the end of reporting period, the Trustee-Manager approved a distribution of \$102,100,643 or 2.62 Singapore cents per unit in respect of financial period from 1 Apr 2022 to 30 Sep 2022 and it has not been adjusted for the current financial year in accordance with SFRS(I) 1-10 *Events After the Reporting Period*.

17. COMMITMENTS

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

	Group		Trust	
	As at 30 Sep 2022	As at 31 Mar 2022	As at 30 Sep 2022	As at 31 Mar 2022
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Property, plant and equipment	48,151	52,011	-	-

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

18. OTHER INFORMATION

The interim statements of financial position as at 30 Sep 2022 and the interim consolidated statement of profit or loss and other comprehensive income, interim statements of changes in Unitholders' fund and interim consolidated statement of cash flows for the half year ended 30 Sep 2022 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on Page 30 of this announcement).

19. RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior half-year's financial statements announcement to enhance comparability with the FY 22 financial statements and the current period half year's announcement. Diversion revenue, other ducts and manholes income within Co-location and Other revenue have been reclassified to Ancillary project revenue. Diversion costs and other ducts and manholes expenses within operations and maintenance costs have been reclassified to Ancillary project direct costs. The reclassification is to better reflect and to consolidate the revenue and expenses derived from ancillary project activities of the Trust.

As a result, below items have been amended in the statement of profit or loss and other comprehensive income. Comparative figures have been adjusted to conform to the current period's presentation.

The items were reclassified as follows:

	Previously reported H1 FY22	After reclassification H1 FY22
Diversion revenue	4,441	-
Ancillary project revenue	-	4,574
Co-location and Other revenue	9,694	9,561
Total	14,135	14,135

	Previously reported H1 FY22	After reclassification H1 FY22
Operation and maintenance costs	8,798	8,728
Diversion costs	2,857	-
Ancillary project direct costs	-	2,927
Total	11,655	11,655

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

20. REVIEW OF PERFORMANCE VARIANCE

	H1 FY23	H1 FY22	Variance
	\$'000	\$'000	(%)
	(Unaudited)	(Unaudited)	
Fibre business revenue:			
Residential connections	121,687	120,003	1.4
Non-residential connections	15,877	15,266	4.0
NBAP and Segment connections	7,717	5,970	29.3
Installation-related revenue	10,199	9,603	6.2
Ancillary project revenue	11,759	4,574	157.1
Co-location and Other revenue	10,586	9,561	10.7
Total Fibre Business Revenue	177,825	164,977	7.8
Ducts, manholes and Central Office revenue:			
Ducts and manholes service revenue	14,055	14,087	(0.2)
Central Office revenue	7,715	8,866	(13.0)
Total Ducts, Manholes and Central Office Revenue	21,770	22,953	(5.2)
Total Revenue	199,595	187,930	6.2

H1 FY23 vs H1 FY22

Revenue of \$199.6 million for H1 FY23 was 6.2% higher as compared to that of H1 FY22 mainly due to higher ancillary project revenue, NBAP & segment, residential, non-residential connection revenue, Co-location revenue and installation-related revenue. This was partially offset by lower Central Office ("CO") revenue. The higher ancillary project revenue of \$7.2 million was due to more diversion projects being completed in H1 FY23 as compared to H1 FY22. Residential connections revenue increased by \$1.7 million from higher number of connections. As at 30 Sep 2022, there were 1,474,243 connections as compared to 1,450,730 connections as at 30 Sep 2021. Non-residential connections revenue increased by \$0.6 million due to higher number of non-residential connections of 51,598 as at 30 Sep 2022 as compared to 49,062 as at 30 Sep 2021. NBAP and segment connections revenue increased by \$1.7 million mainly from higher demand for point-to-point connections to support mobile network rollout and other projects requiring high resiliency. Co-location and other revenue increased by \$1.0 million mainly due to increased rates for power charges charged to RLs, in line with the increase in power costs. Higher installation-related revenue of \$0.6 million was mainly due to higher NBAP and segment installation orders coupled with higher residential service activations. CO revenue decreased by \$1.2 million mainly due to spaces surrendered by the main lessee in NetLink's 7 CO and reduction in rental rates effective from Sep 2021.

Total expenses for H1 FY23 were \$4.5 million lower mainly due to lower other operating expenses, partially offset by higher ancillary project direct costs, finance costs and operations and maintenance costs. Other operating expenses were \$11.8 million lower in comparison to H1 FY22 as a result of the \$12.4 million remeasurement loss recorded in H1 FY22 due to the change in rental rates upon the renewal of the CO lease agreements with the main lessee of our COs. Ancillary project direct costs were \$4.5 million higher, in line with higher ancillary project revenue. Finance cost was higher in H1 FY23 by \$2.3 million, in comparison to H1 FY22, due to higher interest expense in H1 FY23 (average interest rate of 1.92% in H1 FY23 as compared to 1.06% in H1 FY22). Operation and

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

maintenance costs were higher by \$0.7 million mainly due to higher co-location costs from increased rates for power charges and higher cost from more fibre, ducts and manholes maintenance works done.

The income tax credit was lower by \$2.6 million mainly from higher profit before tax of \$53.7 million in H1 FY23 as compared to \$36.7 million in H1 FY22.

The Group achieved profit after tax of \$54.6 million for H1 FY23 and \$40.1 million for H1 FY22.

REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF CASH FLOWS

The Group's net cash from operating activities of \$157.6 million in H1 FY23 was \$19.2 million higher than H1 FY22. The increase was contributed mainly by higher profits and the decrease in trade and other receivables, partially offset by higher interest and taxes paid, as compared to the prior corresponding period, where the Group received tax refunds.

Net cash used in investing activities of \$38.6 million in H1 FY23 was \$5.8 million higher than H1 FY22 due to higher capital expenditures incurred for property, plant and equipment.

Net cash used in financing activities of \$79.2 million in H1 FY23 were \$24.8 million lower than H1 FY22 mainly due net proceeds received from bank loans of \$24.0 million in H1 FY23 (see Note 12).

The resultant cash and cash equivalents balance for the Group as at 30 Sep 2022 was \$189.6 million.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF FINANCIAL POSITION

The Group reported total assets as at 30 Sep 2022 of \$4,030.2 million, \$1.6 million lower than total assets of \$4,031.9 million as at 31 Mar 2022. This was mainly due to lower property, plant and equipment and trade and other receivables, partially offset by higher cash and bank deposits and derivative financial instruments. Property, Plant and Equipment (“PPE”) decreased \$45.1 million mainly due to depreciation, partially offset by additions to PPE. Trade and other receivables decreased by \$8.4 million mainly due to payment received from trade debtors. Cash and bank deposits increased \$39.8 million due to cash flows generated from operations, \$24.0 million net proceeds from bank loan drawn down offset by cash distribution paid and purchase of PPE. Derivative financial instruments increased by \$21.1 million as at 30 Sep 2022 due to marked-to-market gains from \$510.0 million fixed interest rate swap in H1 FY23.

The Group reported total liabilities as at 30 Sep 2022 of \$1,338.3 million, \$22.9 million higher than 31 Mar 2022, mainly from higher bank loans, current tax liabilities and deferred revenue, partially offset by lower deferred tax liabilities. A new \$270.0 million facility agreement was entered into on 15 Sep 2022 comprising of a \$180.0 million Five-Year Term Loan which will mature on 15 Sep 2027, and a \$90.0 million Three-Year RCF which will mature on 15 Sep 2025. \$180.0 million was drawn on 30 Sep 2022 from the Term Loan facility, which was then used to repay the \$156.0 million drawn from the previous \$210.0 million Three-Year RCF. The balance of \$24.0 million drawn down will be used to fund capital expenditure. Hence, the loans increased by \$23.3 million mainly due to \$24.0 million net proceeds from bank loan drawn down, net of transaction costs. Current tax liabilities were higher mainly due to higher profits generated in H1 FY23 as compared to H1 FY22. Deferred revenue was higher mainly due to increase in billings for ancillary projects and service activation charges. Deferred tax liabilities were lower due to the reduction of temporary timing differences from property, plant and equipment.

Total Unitholders’ funds stood at \$2,692.0 million as at 30 Sep 2022, lower than \$2,716.4 million as at 31 Mar 2022 mainly due to the distribution paid in Jun 2022, partially offset by the profit generated in H1 FY23 and higher marked-to-market gains for hedging reserves.

NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

21. OUTLOOK AND PROSPECT

Singapore is progressing towards being a COVID-19 resilient nation and the lifting of restrictions has opened up the economy faster. However, the global environment is still uncertain due to, among others, geopolitical issues, inflationary pressures, increases in interest rates and global supply chain constraints. NetLink will remain vigilant and monitor the developing macro environment and respond appropriately should there be any adverse developments.

NetLink Group's business model is resilient and is well-supported by predictable revenue streams. The Group's balance sheet and liquidity remains strong, underpinned by stable cashflows and access to financial resources to support future capital expenditure. The Group expects to maintain its distributions to Unitholders.

NetLink Group is continuing the expansion of its network to reach new residential dwellings and commercial buildings. In support of Singapore's digital inclusion effort, NetLink plans to collaborate with the RLs and Retail Service Providers to increase subscriptions of fibre broadband plans from first-time users. The Group will also continue partnerships with the RLs and Retail Service Providers to support their efforts to acquire new businesses. In this regard, NetLink will (a) extend customised pricings to support RL participating in projects involving multi-site and/or nationwide connectivity; and (b) make available offerings to facilitate digital transformations of SMEs.

NetLink has been improving network assets to enhance the capability to meet the growing end-user demands. These investments in turn increase the Regulatory Asset Base and position NetLink to leverage on the growth opportunities. We see these opportunities to arise from the digital economy, 5G rollout, connectivity into data centres to support cloud-based services and Singapore's commitment to implement Smart Nation initiatives.

NetLink is currently undergoing the review of NetLink Trust's services (including prices) offered under its Interconnection Offer with the IMDA. The regulatory review is expected to be completed by the first half of 2023.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

22. INTERESTED PERSON TRANSACTION (“IPT”)

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

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions of less than \$100,000)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions of less than \$100,000)
		H1 FY23 \$'000 (Unaudited)	H1 FY23 \$'000 (Unaudited)
NetLink NBN Management Pte. Ltd.	Trustee-Manager of NetLink NBN Trust		
- Management fees ⁽¹⁾		450	-
- Reimbursement of expenses		44	-

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

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

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

NetLinkNBN

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NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

CONFIRMATION BY BOARD

On behalf of the Board of Directors of the Trustee-Manager, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Trustee-Manager which may render the financial statements for the half year ended 30 Sep 2022 to be false or misleading, in any material aspect.

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

Chaly Mah Chee Kheong
Chairman and Independent Director

Tong Yew Heng
Chief Executive Officer and Executive Director

Singapore

2 November 2022

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
NetLink NBN Management Pte. Ltd. (as Trustee-Manager of NetLink NBN Trust)
750E Chai Chee Road
#07-03, ESR BizPark @ ChaiChee
Singapore 469005

Dear Sirs

**NETLINK NBN TRUST AND ITS SUBSIDIARIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE HALF YEAR
ENDED 30 SEPTEMBER 2022**

Introduction

We have reviewed the accompanying financial information of NetLink NBN Trust (the "Trust") and its subsidiaries (the "Group") which comprise the interim consolidated statement of financial position of the Group and the interim statement of financial position of the Trust as at 30 September 2022, and the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in Unitholders' funds and interim consolidated statement of cash flows of the Group and the interim statement of changes in Unitholders' funds of the Trust for the half year ended 30 September 2022, selected notes and other explanatory information ("interim financial information").

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

Scope of Review

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

Conclusion

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

2 November 2022