

**NETLINK NBN TRUST  
AND ITS SUBSIDIARIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT**

**For The Financial Period from**

**19 June 2017 (Date of Constitution) to 30 September 2017**

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The joint issue managers of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte. Ltd. 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. Ltd., UBS AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch, Overseas 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 announcement.

# NetLinkNBN

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES**

**For the Financial Period from 19 June 2017 to 30 September 2017**

### **INTRODUCTION**

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed dated 19 June 2017 under the laws of the Republic of Singapore. The Trust was dormant from the date of its constitution until it acquired all the units of NetLink Trust (“NLT”) on 19 July 2017, the date on which the Trust was listed (“Listing Date”) on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Trust and its subsidiaries taken as a whole shall hereinafter be referred to as “Trust Group” or “Group”.

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

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

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

The first distribution period will be for the period from 19 June 2017 to 31 March 2018 and will be paid on or before 29 June 2018. No distributions have been declared or recommended for the current financial period ended 30 September 2017.

**SUMMARY OF THE TRUST GROUP RESULTS**

	<i>19 June 2017 to 30 September 2017<sup>(1)</sup></i>		
	<b>Actual</b>	<b>Forecast<sup>(2)</sup></b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue<sup>(3)</sup></b>	64,755	65,511	(1.2)
<b>EBITDA<sup>(4) (5)</sup></b>	46,780	45,798	2.1
<b>EBITDA Margin<sup>(4)</sup></b>	72.2%	69.9%	
<b>Profit after tax for the period<sup>(5)</sup></b>	12,986	12,383	4.9

**Note:**

(1) The first financial period is from 19 June 2017 to 30 September 2017. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on 19 July 2017, the date on which the Trust was listed ("Listing Date").

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

(3) Revenue for the period was lower than forecast mainly due to lower installation revenue. There was a decrease in demand for installation of fibre termination points in the residential homes as the rate of migration by non-fibre subscribers to fibre was slower than expected for the period. This was partially offset by higher monthly recurring Residential and Non-Residential connection revenue than forecast.

(4) EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the Trust Group's performance and liquidity, and are not required by, or presented in accordance with, SFRS, IFRS, IFRS-identical Financial Reporting Standards, U.S. GAAP or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity, and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS, IFRS, IFRS-identical Financial Reporting Standards, U.S. GAAP or any other generally accepted accounting principles.

(5) EBITDA and Profit After Tax were ahead of forecast by 2.1% and 4.9% respectively. This was mainly due to lower operation and maintenance costs as well as staff costs. Further details are provided in Note 18.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES

For the Financial Period from 19 June 2017 to 30 September 2017

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial period from 19 June 2017 to 30 September 2017 <sup>(a)</sup>

	Note	Group S\$'000 (Unaudited)
<b>Revenue</b>		64,755
Other income	2	154
<b>Expenses</b>		
Operation and maintenance costs		(2,510)
Installation costs		(3,306)
Depreciation		(30,324)
Staff costs		(3,921)
Amortisation of intangible assets		(2,142)
Finance costs	3	(3,434)
Management fee		(425)
Other operating expenses	4	(7,931)
Total expenses		(53,993)
<b>Profit before income tax</b>		<b>10,916</b>
Income tax credit	5	2,070
<b>Profit after income tax</b>		<b>12,986</b>
<b>Profit attributable to:</b>		
Unitholders of the Trust		12,986
<b>Other comprehensive Income</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Cash flow hedges		1,492
<b>Total comprehensive income attributable to:</b>		
Unitholders of the Trust		14,478
<b>Earnings per unit:</b>		
- basic and diluted		0.33 cents

(a) The first financial period is from 19 June 2017 to 30 September 2017. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES

For the Financial Period from 19 June 2017 to 30 September 2017

### STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)

As at 30 September 2017<sup>(a)</sup>

	Note	Group S\$'000 (Unaudited)	Trust S\$'000 (Unaudited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank deposits		70,562	47,663
Trade and other receivables		69,439	23,431
Finance lease receivables		214	-
Inventories		4,956	-
Other current assets		2,208	339
		<u>147,379</u>	<u>71,433</u>
<b>Non-current assets</b>			
Finance lease receivables		87,973	-
Property, plant and equipment		3,079,889	-
Rental deposits		946	-
Intangible assets	6	955,045	-
Investment in subsidiaries		-	1,986,871
Subordinated loan to a subsidiary	5	-	1,100,000
		<u>4,123,853</u>	<u>3,086,871</u>
<b>Total assets</b>		<u>4,271,232</u>	<u>3,158,304</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		60,031	22,129
Deferred revenue		9,887	-
Current tax liabilities		10,824	-
		<u>80,742</u>	<u>22,129</u>
<b>Non-current liabilities</b>			
Derivative financial instruments	7	6,001	-
Loans	8	507,337	-
Deferred tax liabilities		548,189	-
		<u>1,061,527</u>	<u>-</u>
<b>Total liabilities</b>		<u>1,142,269</u>	<u>22,129</u>
<b>Net Assets</b>		<u>3,128,963</u>	<u>3,136,175</u>
<b>UNITHOLDERS' FUNDS</b>			
Units in issue	9	3,114,485	3,114,485
Retained earnings		12,986	21,690
Hedging reserve		1,492	-
<b>Total Unitholders' funds</b>		<u>3,128,963</u>	<u>3,136,175</u>

(a) The first financial period is from 19 June 2017 to 30 September 2017. No comparative Statements of Financial Position (Group and Trust) has been prepared as NetLink NBN Trust was constituted on 19 June 2017.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES

For the Financial Period from 19 June 2017 to 30 September 2017

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

For the financial period from 19 June 2017 to 30 September 2017 <sup>(a)</sup>

	Units in issue S\$'000 (Unaudited)	Retained earnings S\$'000 (Unaudited)	Hedging reserves S\$'000 (Unaudited)	Total S\$'000 (Unaudited)
<b>Group</b>				
<b>Balance as at 19 June 2017</b>	*	-	-	*
Total comprehensive income for the period:				
Profit for the period	-	12,986	-	12,986
Other comprehensive income	-	-	1,492	1,492
	<u>*</u>	<u>12,986</u>	<u>1,492</u>	<u>14,478</u>
Transactions with Unitholders, recognised directly in equity:				
Issue of units	3,156,547	-	-	3,156,547
IPO expenses credited directly into equity	(42,062)	-	-	(42,062)
<b>Balance as at 30 September 2017</b>	<u>3,114,485</u>	<u>12,986</u>	<u>1,492</u>	<u>3,128,963</u>
	Units in issue \$'000 (Unaudited)	Retained earnings \$'000 (Unaudited)	Hedging reserves \$'000 (Unaudited)	Total \$'000 (Unaudited)
<b>Trust</b>				
<b>Balance as at 19 June 2017</b>	*	-	-	*
Total comprehensive income for the period:				
Profit for the period	-	21,690	-	21,690
Other comprehensive income	-	-	-	-
	<u>*</u>	<u>21,690</u>	<u>-</u>	<u>21,690</u>
Transactions with Unitholders, recognised directly in equity:				
Issue of units	3,156,547	-	-	3,156,547
IPO expenses credited directly into equity	(42,062)	-	-	(42,062)
<b>Balance as at 30 September 2017</b>	<u>3,114,485</u>	<u>21,690</u>	<u>-</u>	<u>3,136,175</u>

\* Amount less than S\$1,000

(a) The first financial period is from 19 June 2017 to 30 September 2017. No comparative Statements of Changes in Unitholders' Funds (Group and Trust) has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES

For the Financial Period from 19 June 2017 to 30 September 2017

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 19 June 2017 to 30 September 2017<sup>(a)</sup>

	<b>Group</b> S\$'000 (Unaudited)
<b>Operating activities</b>	
Profit before income tax	10,916
Adjustments for:	
- Depreciation	30,324
- Amortisation of intangible assets	2,142
- Amortisation of transaction fees	168
- Write back of impairment for trade receivables	(102)
- Provision for stock obsolescence	35
- Recognition of deferred revenue	(1,503)
- Interest expense	3,266
- Interest income	(36)
- Gain on disposal of property, plant and equipment	(5)
- Property, plant and equipment written off	23
	<hr/>
<b>Operating cash flows before working capital changes</b>	<b>45,228</b>
Changes in working capital:	
- Trade and other receivables	11,568
- Trade and other payables	2,384
- Inventories	934
	<hr/>
<b>Cash generated from operations</b>	<b>60,114</b>
Interest received	36
Interest paid	(12,193)
Income tax paid	(4,955)
	<hr/>
<b>Net cash from operating activities</b>	<b>43,002</b>
	<hr/>
<b>Investing activities</b>	
Acquisition of subsidiaries, net of cash (Note 1)	(1,076,266)
Purchase of property, plant and equipment	(127,727)
Proceeds from sale of property, plant and equipment	5
	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,203,988)</b>
	<hr/>
<b>Financing activities</b>	
Repayment of Unitholder's loan	(1,100,477)
Proceeds from issuance of units, net of IPO expenses	2,332,025
	<hr/>
<b>Net cash from financing activities</b>	<b>1,231,548</b>
	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>70,562</b>
Cash and cash equivalents at beginning of financial period	-
	<hr/>
<b>Cash and cash equivalents at end of financial period</b>	<b>70,562</b>
	<hr/> <hr/>

(a) The first financial period is from 19 June 2017 to 30 September 2017. No comparative Statement of Cash Flows has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on Listing Date.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES

For the Financial Period from 19 June 2017 to 30 September 2017

### Note 1: Payment for acquisition of subsidiaries

During the financial period, the Trust acquired all the units of NetLink Trust for S\$1,893.9 million. The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows (see footnote 1):

	<i>For the financial period from 19 June 2017 to 30 September 2017</i>
	S\$'000 (Unaudited)
Cash and bank deposits	19,090
Trade and other receivables	80,550
Finance lease receivables	88,236
Inventories	5,925
Other assets	2,516
Property, plant and equipment	2,989,560
Intangible assets	194,031
Rental deposits	946
Trade and other payables	(67,214)
Deferred revenue	(2,388)
Current tax liabilities	(19,304)
Bank Loan	(507,754)
Unitholder Loan	(1,100,477)
Derivative financial instrument	(7,493)
Deferred tax liabilities	(545,507)
Total identifiable net assets acquired at fair value, net of cash	<u>1,130,717</u>
Goodwill on acquisition <sup>(1)</sup>	<u>763,155</u>
Total cash consideration	<u>1,893,872</u>
Less: Cash and bank deposits acquired	(19,090)
Less: Consideration unpaid as at 30 September 2017	(16,056)
Less: Issuance to Singtel of the Singtel consideration units <sup>(2)</sup>	<u>(782,460)</u>
<b>Net outflow of cash</b>	<b><u>1,076,266</u></b>

### Footnotes:

(1) The provisional purchase price allocation is subject to finalization and further adjustment may be made to the fair value of the identifiable net assets and the resultant goodwill.

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



**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS**

*For the financial period from 19 June 2017 to 30 September 2017*

**1. BASIS OF PREPARATION**

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard ("FRS") 34, *Interim Financial Reporting*. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as those stated in the Prospectus. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 19 June 2017 did not have a significant impact on the financial statements of the Group and the Trust.

**2. OTHER INCOME**

	<i><b>For the financial period from 19 June 2017 to 30 September 2017</b></i>
	S\$'000
<b>Group</b>	(Unaudited)
Net gain on disposal of property, plant and equipment	5
Interest income	36
Others <sup>(1)</sup>	113
	<u>154</u>

(1) Others consist mainly of income from Fibre Readiness Certification, and income from providing third-party contractors the Notice for Commencement of Earthworks and Plant Route Plans.

**3. FINANCE COSTS**

	<i><b>For the financial period from 19 June 2017 to 30 September 2017</b></i>
	S\$'000
<b>Group</b>	(Unaudited)
Interest expense on	
- Bank loans	1,812
- Others	30
- Financing related costs	398
- Realised loss on interest rate swaps	1,194
	<u>3,434</u>

#### 4. OTHER OPERATING EXPENSES

	<i>For the financial period from 19 June 2017 to 30 September 2017</i>
	S\$'000
<b>Group</b>	(Unaudited)
Write back of impairment for trade receivables	(102)
Provision for inventory obsolescence	35
	<u>35</u>

#### 5. INCOME TAX CREDIT

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

	<i>For the financial period from 19 June 2017 to 30 September 2017</i>
	S\$'000
	(Unaudited)
Profit before income tax:	<u>10,916</u>
Income tax expense calculated at a tax rate of 17%	(1,856)
Effect of:	
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities <sup>^</sup>	3,981
- Others	(55)
Tax credit attributable to current period's profit	<u>2,070</u>

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

## 6. INTANGIBLE ASSETS

	<i>For the financial period from 19 June 2017 to 30 September 2017</i>
	S\$'000
	(Unaudited)
Licence	191,890
Goodwill	763,155
	<hr/>
	955,045
	<hr/>

## 7. FAIR VALUE MEASUREMENTS

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

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

The following table presents the assets and liabilities measured at fair value as at 30 September 2017

<b>Group</b>				
<b>30-Sep-17</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial liabilities</b>				
Derivative financial instruments	-	6,001	-	6,001
	<hr/>			<hr/>

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has S\$510.0 million bank loan outstanding and has entered into a series of pay-fixed-receive-floating interest rate swaps to convert the variable interest rates on its bank loan into fixed interest rates, for a total notional principal amount of S\$510.0 million over the period of the bank loan. Accordingly, 100% of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

## 8. GROUP'S BORROWINGS AND DEBT SECURITY

	<b>Group As at 30 September 17 S\$'000 (Unaudited)</b>	<b>Trust As at 30 September 17 S\$'000 (Unaudited)</b>
<b>Unsecured borrowings</b>		
Repayable after one year		
- Bank loan (unsecured)	507,337	-

As at 30 September 2017, the term loan facility of S\$510 million was fully drawn and the revolving credit facilities of S\$300 million remained undrawn.

The weighted average interest rate for borrowings was 2.91% per annum. The bank loans are due for repayment on 24 March 2021.

## 9. UNITS IN ISSUE

<b>Group and Trust</b>	<b>30 September 17 Number of units (Unaudited)</b>	<b>30 September 17 Units in Issue S\$'000 (Unaudited)</b>
Balance as at beginning of period (19.6.2017)	1	*
Issue of new shares	3,896,971,099	3,156,547
Less IPO expenses credited in equity	-	(42,062)
Balance as at end of period (30.9.2017)	3,896,971,100	3,114,485

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

\* Amount less than S\$1,000

## 10. NET ASSET VALUE

	<b>Group As at 30 September 17 Cents (Unaudited)</b>	<b>Trust As at 30 September 17 Cents (Unaudited)</b>
NAV per unit based on issued units at the end of the period	80	80

## 11. COMMITMENTS

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

	<b>Group As at 30 September 17 S\$'000 (Unaudited)</b>	<b>Trust As at 30 September 17 S\$'000 (Unaudited)</b>
Property, plant and equipment	44,929	-

## 12. SEGMENT INFORMATION

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

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

## 13. RELATED PARTY TRANSACTIONS

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

	<b>For the financial period from 19 June 2017 to 30 September 2017 S\$'000 (Unaudited)</b>
Services rendered to a Unitholder	31,558
Services rendered to a subsidiary of a substantial shareholder of a Unitholder	17,853
Purchase of services and goods of a Unitholder	106,589
Management fee paid or payable to Trustee-Manager of the Trust	425
Purchase of services from subsidiaries of a substantial shareholder of a Unitholder	208
Purchases of goods from subsidiaries of a Unitholder	617

## **14. DISTRIBUTIONS**

The first distribution period will be for the period from 19 June 2017 to 31 March 2018 and will be paid on or before 29 June 2018. No distributions have been declared or recommended for the current financial period ended 30 September 2017.

## **15. OTHER INFORMATION**

The statements of financial position as at 30 September 2017 and the consolidated statement of profit or loss and other comprehensive income, statements of changes in Unitholders' fund and consolidated statement of cash flows from 19 June 2017 to 30 September 2017 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 19](#) of this announcement).

## **16. REVIEW OF PERFORMANCE OF THE GROUP**

Please refer to Note 17 for the review of the Trust Group's actual results for the financial period from 19 June 2017 to 30 September 2017 against the Forecast as disclosed in the Prospectus.

## REVIEW OF PERFORMANCE VARIANCE BETWEEN ACTUAL AND FORECAST

### 17. Actual vs forecast for the financial period from 19 June 2017 to 30 September 2017

	For the financial period from 19 June 2017 to 30 September 2017		
	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Variance (%)
<b>Revenue</b>	64,755	65,511	(1.2)
Other income	154	28	N.M. <sup>(2)</sup>
<b>Expenses</b>			
Operation and maintenance costs	(2,510)	(3,268)	(23.2)
Installation costs	(3,306)	(3,415)	(3.2)
Depreciation	(30,324)	(29,798)	1.8
Staff costs	(3,921)	(4,560)	(14.0)
Amortisation of intangible assets	(2,142)	(2,381)	(10.0)
Finance costs	(3,434)	(3,368)	2.0
Management fee	(425)	(431)	(1.4)
Other operating expenses	(7,931)	(8,059)	(1.6)
Total expenses	(53,993)	(55,280)	(2.3)
<b>Profit before income tax</b>	<b>10,916</b>	<b>10,259</b>	<b>6.4</b>
Income tax credit	2,070	2,124	(2.5)
<b>Profit after income tax</b>	<b>12,986</b>	<b>12,383</b>	<b>4.9</b>
<b>Earnings per unit</b>	<b>0.33 cents</b>	<b>0.32 cents</b>	

*For the financial period  
from 19 June 2017 to  
30 September 2017*  
Number of Units ('000)  
(Unaudited)

Weighted average number of units in issue for  
calculation of basic and diluted earnings per unit 3,881,377

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

(2) N.M. = not meaningful.

## **REVIEW OF PERFORMANCE VARIANCE BETWEEN ACTUAL AND FORECAST**

Revenue of S\$64.8 million for the period was 1.2% lower than forecast mainly due to lower installation revenue. There was a decrease in demand for installation of fibre termination points in residential homes as the rate of migration by non-fibre subscribers to fibre was slower than expected for the period. This was partially offset by higher monthly recurring Residential and Non-Residential connection revenue as compared to forecast.

Total expenses for the period of S\$54.0 million was S\$1.3 million lower than forecast mainly due to lower operating costs as well as lower staff costs. Operations and maintenance costs was S\$0.8 million less than forecast mainly due to lower operation costs for central offices, ducts and manholes, and colocation costs. Staff costs was S\$0.6 million lower due to lower salary costs as the actual average headcount for the period was lower as compared to forecast and higher capitalisation of labour costs as more projects were completed as compared to forecast.

The Trust Group achieved a Profit After Tax of S\$13.0 million for the period, which was 4.9% higher than forecast.

## **OUTLOOK AND PROSPECT**

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

The Trust Group remains on track to achieve its forecast number of end-user connections in both the Residential and Non-Residential fibre segments for the forecast period ending 31 March 2018 as stated in the Prospectus. In addition, the Trust Group expects to deliver financial performance and distribution forecast as stated in the Prospectus.

The Group commenced utilising the Hougang Central Office to serve new housing estates in Sengkang and Punggol. Planning for the expansion of the Group's network coverage to serve upcoming townships such as the new Tengah estate has commenced as the first batch of HDB homes in Tengah is expected to be launched from 2018 and further developed over the next two decades, with an estimated 42,000<sup>1</sup> new residential homes.

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

<sup>1</sup>Source: Housing & Development Board



## **INTERESTED PERSON TRANSACTION (“IPT”)**

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

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

<b>Name of Interested Person</b>	<b>Aggregate value of all IPTs during the financial period under review (excluding transactions of less than S\$100,000)</b>
	<b>For the financial period from 19 June 2017 to 30 September 2017</b>
Netlink NBN Management Pte Ltd	<b>S\$'000</b>
- Management Fees	425

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

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

## **21. UPDATE ON THE USE OF IPO PROCEEDS**

As announced on 19 July 2017 (the “19 July Announcement”), the total proceeds of approximately S\$2,347.4 million raised by the Trustee-Manager from the offering of 2,898,000,001 units in the IPO have been utilised in accordance with the intended uses of the proceeds set out in the Prospectus and, save as disclosed in the 19 July Announcement, is in accordance with the amounts allocated in the Prospectus. The Trustee-Manager will make further announcements as and when net proceeds of S\$26.3 million from the sale of 32,971,100 additional units pursuant to the exercise of the Over-Allotment Option, are materially disbursed.

## **22. SUBSEQUENT EVENT**

There were no subsequent events post balance sheet date that require disclosure.

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES**

**For the Financial Period from 19 June 2017 to 30 September 2017**

### **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 financial period from 19 June 2017 to 30 September 2017 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

Singapore

9 November 2017

Tong Yew Heng

Chief Executive Officer and Executive Director

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES**

**For the Financial Period from 19 June 2017 to 30 September 2017**

### **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, Viva Business Park

Singapore 469005

Dear Sirs

### **NETLINK NBN TRUST AND ITS SUBSIDIARIES**

### **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE FINANCIAL PERIOD FROM 19 JUNE 2017 TO 30 SEPTEMBER 2017**

#### **Introduction**

We have reviewed the accompanying statement of financial position of NetLink NBN Trust (the "Trust") as at 30 September 2017 and statement of changes in Unitholders' funds of the Trust for the financial period from 19 June 2017 to 30 September 2017, the statement of financial position of NetLink NBN Trust and its subsidiaries (the "Trust Group") as at 30 September 2017 and related statement of profit or loss and other comprehensive income, statement of changes in Unitholders' funds and statement of cash flows of the Trust Group for the financial period from 19 June 2017 to 30 September 2017, selected notes and other explanatory information ("interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 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 Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, in accordance with FRS 34.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants

Singapore  
9 November 2017