

SINGAPORE NBN TRUST
(also known as “TM Shares Trust”)

(a trust constituted by a deed of trust dated 21 February 2017
with DBS Trustee Limited acting as Share Trustee)

REPORT FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2022

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NETLINK NBN MANAGEMENT PTE. LTD.

(Incorporated in Singapore)
Company Registration. No. 201704783K

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

NETLINK NBN MANAGEMENT PTE. LTD.

**GENERAL
INFORMATION**

DIRECTORS

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 Sean Patrick Slattery	(Non-Executive Director)
Mr William Woo Siew Wing	(Non-Executive Director)
Mr Tong Yew Heng	(Chief Executive Officer and Executive Director)

SECRETARIES

Mr Chester Leong Chang Hong
Mr Albert Lim Aik Seng

REGISTERED OFFICE

750E Chai Chee Road
#07-03, ESR BizPark @ Chai Chee
Singapore 469005

AUDITORS

Deloitte & Touche LLP

NETLINK NBN MANAGEMENT PTE. LTD.

**DIRECTORS'
STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022.

In the opinion of the Directors, the accompanying financial statements of the Company as set out on pages 10 to 22 are drawn up to give a true and fair view of the financial position of the Company as at 31 March 2022, 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 Sean Patrick Slattery	(Non-Executive Director)
Mr William Woo Siew Wing	(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 2022

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

17 May 2022

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 2022

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 2022, 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 10 to 22.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967, (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 2022 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 6 to 7.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETLINK NBN MANAGEMENT PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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

17 May 2022

NETLINK NBN MANAGEMENT PTE. LTD.**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 \$	2021 \$
Revenue	4	998,484	1,007,533
Operating expenses		(971,589)	(936,883)
Foreign exchange gain/(loss)		126	(238)
Profit before tax	5	27,021	70,412
Income tax expenses	6	(2,008)	(5,560)
Profit after tax representing total comprehensive income for the financial year		25,013	64,852

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

NETLINK NBN MANAGEMENT PTE. LTD.**STATEMENT OF
FINANCIAL POSITION**

AS AT 31 MARCH 2022

	Note	2022 \$	2021 \$
ASSET			
Current assets			
Cash and bank balances	7	440,932	395,411
Prepayments		14,502	13,416
Trade receivable from a related party	8	28,696	38,808
		<u>484,130</u>	<u>447,635</u>
LIABILITY			
Current liabilities			
Other payables		16,800	17,047
Accrued operating expenses	9	272,359	256,942
Income tax payable		1,872	5,560
		<u>291,031</u>	<u>279,549</u>
Net assets		<u>193,099</u>	<u>168,086</u>
SHAREHOLDER'S EQUITY			
Share capital	10	5	5
Accumulated profits		193,094	168,081
Total equity		<u>193,099</u>	<u>168,086</u>

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

NETLINK NBN MANAGEMENT PTE. LTD.**STATEMENT OF
CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2022

	Share capital (Note 10)	Accumulated profits	Total
	\$	\$	\$
Balance as at 1 April 2021	5	168,081	168,086
Profit for the year representing total comprehensive income for the financial year	-	25,013	25,013
Balance as at 31 March 2022	5	193,094	193,099

2021

	Share capital (Note 10)	Accumulated profits	Total
	\$	\$	\$
Balance as at 1 April 2020	5	103,229	103,234
Profit for the year representing total comprehensive income for the financial year	-	64,852	64,852
Balance as at 31 March 2021	5	168,081	168,086

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

NETLINK NBN MANAGEMENT PTE. LTD.

**STATEMENT OF
CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 \$	2021 \$
Operating activities			
Profit before tax		27,021	70,412
Operating cash flows before working capital changes		27,021	70,412
Changes in working capital:			
- Prepayments		(1,086)	(1,307)
- Trade receivable from a related party		10,112	(20,309)
- Other payables		(247)	(1,428)
- Accrued operating expenses		15,417	(41)
Cash generated from operations		51,217	47,327
Income tax paid		(5,696)	(1,606)
Net cash generated from operating activities		45,521	45,721
Net increase in cash and cash equivalents		45,521	45,721
Cash and cash equivalents at beginning of financial year		395,411	349,690
Cash and cash equivalents at end of financial year		440,932	395,411
	7		

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

NETLINK NBN MANAGEMENT PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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, ESR BizPark @ Chai Chee, 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 2004 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), 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 on 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 1967, 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 if market participants would take those characteristics 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.

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.

2.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Company has adopted all the new and revised FRSs pronouncements that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs pronouncements does not result in changes to the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current year or prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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, except for trade receivables from a related party that do not have a significant financing component which are measured at transaction price. 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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

2.4 FINANCIAL INSTRUMENTS (CONT'D)

2.4.1 Financial assets (cont'd)

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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

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 debtor 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 debtor 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

2.4 FINANCIAL INSTRUMENTS (CONT'D)

2.4.1 Financial assets (cont'd)

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 debtor 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 except for assets which the simplified approach was used.

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.

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

Other payables and 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.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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 date, 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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 date and adjusted to reflect the current best estimate.

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 and reimbursement of expenses 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 year. Taxable profit differs from net profit as reported in the statement of profit or loss 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 by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of accounting department within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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 ("foreign currencies") are recognised at the bank rates of exchange prevailing on the dates of the transaction. At end of the reporting date, monetary assets and liabilities that are 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

	2022	2021
	\$	\$
Management fees	900,000	900,000
Reimbursement of expenses	98,484	107,533
	<u>998,484</u>	<u>1,007,533</u>

Reimbursement of expenses include fees and expenses of professional advisers engaged by the Trustee-Manager in the performance of its obligations and duties under the Trust Deed and expenses incurred by DBS Trustee Limited in the administering of Singapore NBN Trust.

5. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	2022	2021
	\$	\$
Directors' fees	<u>873,000</u>	<u>829,350</u>

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INCOME TAX EXPENSES

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:

	2022 \$	2021 \$
Profit before tax	27,021	70,412
Tax calculated at a tax rate of 17%	4,594	11,970
Under provision in prior years	137	-
Effect of tax relief	(2,723)	(6,410)
	2,008	5,560

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	2022 \$	2021 \$
Cash and bank balances	440,932	395,411

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.

In determining the expected credit losses ("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.

9. ACCRUED OPERATING EXPENSES

Accrued operating expenses includes \$140 owing to a related party which is non-trade in nature, unsecured, non-interest bearing and repayable on demand unless otherwise stated.

10. SHARE CAPITAL

Issued and paid up ordinary share capital

	2022 Shares and \$	2021 Shares and \$
Balance at beginning and end of financial year	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

11. RELATED PARTY TRANSACTIONS

	2022 \$	2021 \$
Management fees and reimbursement of expenses received/receivable from NetLink NBN Trust	998,484	1,007,533

12. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	2022 \$	2021 \$
<u>Financial assets</u>		
Financial assets at amortised cost	469,628	434,219
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	289,159	273,989

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Board reviews and manages each of these risks and they are summarised below:

(a) *Credit risk management*

The Company develops and maintains 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 Company has no realistic prospect of recovery.	Amount is written off

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12. 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 using the simplified approach in FRS 109 *Financial Instruments* to measure the loss allowance at lifetime ECL:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$	\$	\$
2022						
Trade receivable from a related party	8	Performing	Lifetime ECL (Simplified approach)	28,696	-	28,696
2021						
Trade receivable from a related party	8	Performing	Lifetime ECL (Simplified approach)	38,808	-	38,808

(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, other payables and accrued operating expenses reasonably approximate their fair values because they are mostly short-term in nature.

13. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 17 May 2022.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information relating to Ms Koh Kah Sek, Mr Yeo Wico and Mr Sean Patrick Slattery, as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below:-

Name of person	Koh Kah Sek	Yeo Wico	Sean Patrick Slattery
Date of Appointment	21 February 2017	21 February 2017	28 April 2017
Date of last re-appointment (if applicable)	28 September 2020	19 July 2019	28 September 2020
Age	50	55	55
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Ms Koh has extensive experience in accounting, business and management. She has held various senior management positions in the telecommunications industry and her knowledge and experience in these areas will be beneficial to NetLink NBN Trust.	Mr Yeo has been in legal practice for well over two decades and a director of listed companies for more than a decade. His legal background and experiential insights will continue to contribute to Board deliberations and benefit NetLink NBN Trust.	Mr Slattery has over 27 years of experience in the telecommunications industry. He has been managing regulatory and network interconnection matters for many years and his particular expertise in these areas will be beneficial to NetLink NBN Trust.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Audit Committee	Independent Non-Executive Director, Member of the Audit Committee and Member of the Remuneration Committee	Non-Executive and Non-Independent Director, Chairman of the Risk and Regulatory Committee
Professional qualifications	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 30 of the NetLink NBN Trust Annual Report 2022.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person	Koh Kah Sek	Yeo Wico	Sean Patrick Slattery
Working experience and occupation(s) during the past 10 years	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 30 of the NetLink NBN Trust Annual Report 2022.
Shareholding interest in the listed issuer and its subsidiaries	100,000 units in NetLink NBN Trust in her own name	300,000 units in NetLink NBN Trust in his own name	200,000 units in NetLink NBN Trust in his own name
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1)) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 29 of the NetLink NBN Trust Annual Report 2022.	Please refer to the Director's biography on page 30 of the NetLink NBN Trust Annual Report 2022.
* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.			
# These fields are not applicable for announcements of appointments pursuant to Rule 704(9) of the Listing Manual of the SGX-ST.			
Past (for the last 5 years)			
Present			

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person	Koh Kah Sek	Yeo Wico	Sean Patrick Slattery
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes, please see footnote 1	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person	Koh Kah Sek	Yeo Wico	Sean Patrick Slattery
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person	Koh Kah Sek	Yeo Wico	Sean Patrick Slattery
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No, but please see footnote 2	No	Yes, please see footnote 5
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No, but please see footnote 2	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	Yes, please see footnote 3	Yes, please see footnote 4	Yes, please see footnote 4
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Footnote 1

Ms Koh was a director of Benny Burger Pty Ltd, a proprietary company incorporated in Australia, which was placed under creditors' voluntary liquidation. Benny Burger Pty Ltd has been deregistered on 1 November 2020.

Footnote 2

Ms Koh is a director of various corporations and entities in the Far East Organization Group, Sino Group and Commonwealth Concepts Group operating within the real estate, hospitality and food and beverage industries. There have been occasions where these corporations and entities have been investigated by the authorities for breaches of laws and regulations arising from their day-to-day operations. To the best of her knowledge, none of the warnings, fines and penalties imposed on the corporations and entities arising from such investigations during her tenure as a director is material nor do they relate to the directors in their personal capacities.

Footnote 3

Ms Koh is a Director of NetLink NBN Management Pte. Ltd. (trustee-manager of NetLink NBN Trust) and was previously a Director of NetLink Management Pte. Ltd. (trustee of NetLink Trust). NetLink NBN Trust owns NetLink Trust. NetLink Trust designs, builds, owns and operates the passive fibre network infrastructure of Singapore's Next Generation Nationwide Broadband Network. NetLink Trust is subject to various laws and regulations governing its day-to-day operations and have been investigated by regulatory authorities in the ordinary course of business, for example, for failing to comply with quality of service standards under NetLink Trust's licensing requirements which could have resulted in warnings or penalties (as applicable) imposed on NetLink Trust. These investigations were reported to the Risk and Regulatory Committee and thereafter to the Board of Directors of NetLink NBN Management Pte. Ltd. (trustee-manager of NetLink NBN Trust). To the best of her knowledge, none of the warnings or penalties imposed on Netlink Trust arising from such investigations during her tenure as a Director is material nor do they relate to the Directors in their personal capacities.

Footnote 4

The above-mentioned Directors are or had been Directors of trustee-manager(s) subject to licensing requirements. These trustee-manager(s) had been investigated in the ordinary course of business for failing to comply with licence conditions and quality of service standards under these licensing requirements, as well as laws and regulations governing their operational activities. These investigations have resulted in warnings or penalties (as applicable) imposed on such trustee-manager(s) which were neither material nor relate to these Directors in their personal capacities.

Footnote 5

Mr Slattery is the Vice President (Regulatory & Interconnect) of Singapore Telecommunications Limited ("Singtel"). As a telecommunication services provider, Singtel is subject to various laws and regulations governing its day-to-day operations and may be investigated for breaches of such laws and regulations from time to time in the ordinary course of business. These investigations have resulted in fines, warnings and/or directions issued from time to time to Singtel in the ordinary course of business and do not relate to him in his personal capacity.