

**NETLINK NBN TRUST  
AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE HALF YEAR  
ENDED 30 SEPTEMBER 2023**

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# NetLinkNBN

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

### **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 Nationwide Broadband Network (“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 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.

NetLink Group uses its network primarily to provide fibre connections meant for residential and enterprise end-users. The network provides (a) residential end-user connections, (b) non-residential end-user connections, (c) non-building address points (“NBAP”) as well as (d) segment and point-to-point connections (with options for diversity). For mandated services, the provisioning is regulated and set forth in the facilities-based operations licence of the NetLink Group. The 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 2023**

**SUMMARY OF THE NETLINK GROUP RESULTS**

|  | Half Year Ended 30 Sep                       |  | Variance |
|--|--|--|----------|
|  | 2023<br>("H1 FY24")<br>\$'000<br>(Unaudited) | 2022<br>("H1 FY23")<br>\$'000<br>(Unaudited) |          |
| <b>Revenue <sup>(1)</sup></b>                  | 205,316                                      | 199,595                                      | 2.9      |
| <b>EBITDA <sup>(2)</sup></b>                   | 149,118                                      | 145,568                                      | 2.4      |
| <b>EBITDA margin <sup>(2)</sup></b>            | 72.6%  | 72.9%  | (0.3pp)  |
| <b>Profit after tax ("PAT") <sup>(3)</sup></b> | 52,885                                       | 54,560                                       | (3.1)    |

**Note:**

- (1) Revenue for H1 FY24 was higher than H1 FY23 by 2.9%. The increase in H1 FY24 was mainly due to higher connections revenue (NBAP and segment, residential and non-residential), installation-related revenue, Co-location revenue and Central Office ("CO") revenue. This was partially offset by lower ducts and manholes services, and ancillary project revenue.
- (2) EBITDA for H1 FY24 were higher than H1 FY23 by 2.4%. The increase in H1 FY24 EBITDA was a result of higher revenue partially offset by higher operating costs.  
  
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.
- (3) PAT for H1 FY24 was lower than H1 FY23 by 3.1% mainly due to higher finance costs, depreciation and amortisation, and income tax expenses.

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

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### DISTRIBUTION STATEMENT

| <b>Cash Available For Distribution (“CAFD”)</b>   | <b>H1 FY24</b><br>\$'000<br>(Unaudited) | <b>H1 FY23</b><br>\$'000<br>(Unaudited) |
|---|---|---|
| Profit before income tax  | 53,448                                  | 53,719                                  |
| Add: Depreciation and amortisation  | 86,426                                  | 84,749                                  |
| Add: Other non-cash item  | 5,851                                   | 3,041                                   |
| Add: Proceeds from Term Loan facility   | -                                       | 180,000                                 |
| Add: Changes in working capital   | 10,903                                  | 16,366                                  |
| Add/(less): Cash taxes  | 1,968                                   | (255)                                   |
| Less: Repayment of revolving loan facility  | -                                       | (156,000)                               |
| Less: Purchase of property, plant and equipment   | (73,650)                                | (35,543)                                |
| Less: Purchase of intangible assets   | (3,485)                                 | (3,101)                                 |
| Less: Repayment of lease liabilities  | (1,626)                                 | (1,806)                                 |
| Less: Payment of loan arrangement fee   | (60)                                    | (1,215)                                 |
| Transfer from/(into): Cash held in reserves and provisions for future capital expenditure and working capital | 23,495                                  | (37,854)                                |
| <b>CAFD</b>   | <u>103,270</u>                          | <u>102,101</u>                          |
| <b>Distributions Attributable for the Half Year <sup>(1)</sup></b>  | <u>103,270</u>                          | <u>102,101</u>                          |

#### Note:

(1) Total distributions paid/payable

|                          | <b>H1 FY24</b><br>\$'000<br>(Unaudited) | <b>H1 FY23</b><br>\$'000<br>(Unaudited) | <b>Payment Date</b> |
|--------------------------|---|---|---------------------|
| 1 Apr 2022 – 30 Sep 2022 | -                                       | 102,101                                 | 30 Nov 2022         |
| 1 Apr 2023 – 30 Sep 2023 | 103,270                                 | -                                       | 1 Dec 2023          |
|                          | <u>103,270</u>                          | <u>102,101</u>                          |                     |

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

### **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 \$103,269,734 or 2.65 Singapore cents per Unit is declared for NetLink Group's distribution period for the half year ended 30 Sep 2023 and will be payable on 1 Dec 2023 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 2023**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|   | Note   | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) | Variance<br>(%) |
|---|--------|----------------------------------|----------------------------------|-----------------|
| <b>Revenue</b>  | 20     | 205,316                          | 199,595                          | 2.9             |
| Other income  | 6.1    | 5,033                            | 2,181                            | 130.8           |
| <b>Expenses</b>   |        |                                  |                                  |                 |
| Operation and maintenance costs   |        | (11,555)                         | (9,462)                          | 22.1            |
| Installation costs  |        | (5,797)                          | (5,281)                          | 9.8             |
| Ancillary project direct costs  |        | (8,753)                          | (7,473)                          | 17.1            |
| Depreciation and amortisation   | 6.2    | (86,426)                         | (84,749)                         | 2.0             |
| Staff costs   |        | (13,072)                         | (14,117)                         | (7.4)           |
| Finance costs   | 6.3    | (10,920)                         | (7,593)                          | 43.8            |
| Other operating expenses  | 6.4,19 | (20,378)                         | (19,382)                         | 5.1             |
| Total expenses  |        | (156,901)                        | (148,057)                        | 6.0             |
| <b>Profit before income tax</b>   |        | <b>53,448</b>                    | <b>53,719</b>                    | <b>(0.5)</b>    |
| Income tax (expenses)/credit  | 7      | (563)                            | 841                              | (166.9)         |
| <b>Profit after income tax</b>  |        | <b>52,885</b>                    | <b>54,560</b>                    | <b>(3.1)</b>    |
| <b>Profit attributable to:</b>  |        |                                  |                                  |                 |
| Unitholders of the Trust  |        | 52,885                           | 54,560                           | (3.1)           |
| <b>Other comprehensive income</b>   |        |                                  |                                  |                 |
| <b>Items that may be subsequently reclassified to profit or loss</b>                                    |        |                                  |                                  |                 |
| Cash flow hedges  |        | 1,226                            | 21,106                           | (94.2)          |
| <b>Total comprehensive income attributable to:</b>  |        |                                  |                                  |                 |
| Unitholders of the Trust  |        | 54,111                           | 75,666                           | (28.5)          |
| <b>Earnings per unit:</b>   |        |                                  |                                  |                 |
| - basic and diluted   |        | 1.36 cents                       | 1.40 cents                       |                 |
| Weighted average number of units ('000) in issue for calculation of basic and diluted earnings per unit |        | 3,896,971                        | 3,896,971                        |                 |

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**INTERIM STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)**

|  | Note  | Group   |   | Trust   |   |
|--|-------|---|---|---|---|
|  |       | As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) | As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) |
| <b>ASSETS</b>                            |       |   |   |   |   |
| <b>Current assets</b>                    |       |   |   |   |   |
| Cash and bank deposits                   |       | 178,378                                       | 200,704                                     | 59,061  | 59,876                                      |
| Trade and other receivables              |       | 65,350  | 67,936                                      | 180   | 146   |
| Contract assets                          |       | 28,058  | 27,817                                      | -   | -   |
| Finance lease receivables                | 8     | 217   | 211   | -   | -   |
| Inventories                              |       | 5,041   | 6,762                                       | -   | -   |
| Other current assets                     |       | 3,612   | 5,670                                       | 65  | 145   |
|  |       | 280,656                                       | 309,100                                     | 59,306  | 60,167                                      |
| <b>Non-current assets</b>                |       |   |   |   |   |
| Finance lease receivables                | 8     | 65,784  | 65,894                                      | -   | -   |
| Property, plant and equipment            | 9,19  | 2,716,155                                     | 2,734,283                                   | -   | -   |
| Derivative financial instruments         | 10    | 30,227  | 29,001                                      | -   | -   |
| Intangible assets                        | 11,19 | 844,261                                       | 844,223                                     | -   | -   |
| Right-of-use assets                      |       | 30,603  | 30,039                                      | -   | -   |
| Rental deposits                          |       | 240   | 240   | -   | -   |
| Investment in subsidiaries               |       | -   | -   | 2,013,673                                     | 2,013,673                                   |
| Subordinated loan to a subsidiary        |       | -   | -   | 1,100,000                                     | 1,100,000                                   |
|  |       | 3,687,270                                     | 3,703,680                                   | 3,113,673                                     | 3,113,673                                   |
| <b>Total assets</b>                      |       | <b>3,967,926</b>                              | <b>4,012,780</b>                            | <b>3,172,979</b>                              | <b>3,173,840</b>                            |
| <b>LIABILITIES</b>                       |       |   |   |   |   |
| <b>Current liabilities</b>               |       |   |   |   |   |
| Trade and other payables                 |       | 59,014  | 60,042                                      | 170   | 224   |
| Deferred revenue                         |       | 37,867  | 36,921                                      | -   | -   |
| Lease liabilities                        |       | 2,148   | 1,635                                       | -   | -   |
| Current tax liabilities                  |       | 53,573  | 43,312                                      | 38  | 20  |
|  |       | 152,602                                       | 141,910                                     | 208   | 244   |
| <b>Non-current liabilities</b>           |       |   |   |   |   |
| Other payables                           |       | 737   | 1,059                                       | -   | -   |
| Deferred revenue                         |       | 5,331   | 5,530                                       | -   | -   |
| Loans                                    | 12    | 732,467                                       | 732,016                                     | -   | -   |
| Lease liabilities                        |       | 31,846  | 31,602                                      | -   | -   |
| Deferred tax liabilities                 |       | 461,102                                       | 468,832                                     | -   | -   |
|  |       | 1,231,483                                     | 1,239,039                                   | -   | -   |
| <b>Total liabilities</b>                 |       | <b>1,384,085</b>                              | <b>1,380,949</b>                            | <b>208</b>                                    | <b>244</b>                                  |
| <b>Net Assets</b>                        |       | <b>2,583,841</b>                              | <b>2,631,831</b>                            | <b>3,172,771</b>                              | <b>3,173,596</b>                            |
| <b>UNITHOLDERS' FUNDS</b>                |       |   |   |   |   |
| Units in issue                           | 13    | 3,117,178                                     | 3,117,178                                   | 3,117,178                                     | 3,117,178                                   |
| (Accumulated deficits)/Retained earnings |       | (563,564)                                     | (514,348)                                   | 55,593  | 56,418                                      |
| Hedging reserves                         |       | 30,227  | 29,001                                      | -   | -   |
| <b>Total Unitholders' funds</b>          |       | <b>2,583,841</b>                              | <b>2,631,831</b>                            | <b>3,172,771</b>                              | <b>3,173,596</b>                            |

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

|  | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) |
|--|----------------------------------|----------------------------------|
| <b>Units in issue at the beginning and end of the period</b> | <u>3,117,178</u>                 | <u>3,117,178</u>                 |
| <b>Accumulated deficits at the beginning of period</b>       | (514,348)                        | (421,348)                        |
| Profit for the period  | 52,885                           | 54,560                           |
| Distribution paid  | <u>(102,101)</u>                 | <u>(100,152)</u>                 |
| <b>Accumulated deficits at the end of period</b>             | <u>(563,564)</u>                 | <u>(466,940)</u>                 |
| <b>Hedging reserves at the beginning of period</b>           | 29,001                           | 20,616                           |
| Other comprehensive income for the period                    | 1,226                            | 21,106                           |
| <b>Hedging reserves at the end of period</b>                 | <u>30,227</u>                    | <u>41,722</u>                    |
| <b>Total</b>   | <u>2,583,841</u>                 | <u>2,691,960</u>                 |

### INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

|  | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) |
|--|----------------------------------|----------------------------------|
| <b>Units in issue at the beginning and end of the period</b> | <u>3,117,178</u>                 | <u>3,117,178</u>                 |
| <b>Retained earnings at the beginning of period</b>          | 56,418                           | 54,310                           |
| Profit for the period  | 101,276                          | 101,516                          |
| Distribution paid  | <u>(102,101)</u>                 | <u>(100,152)</u>                 |
| <b>Retained earnings at the end of period</b>                | <u>55,593</u>                    | <u>55,674</u>                    |
| <b>Total</b>   | <u>3,172,771</u>                 | <u>3,172,852</u>                 |



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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Note | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) |
|--|------|----------------------------------|----------------------------------|
| <b>Operating activities</b>                                  |      |                                  |                                  |
| Profit before income tax                                     |      | 53,448                           | 53,719                           |
| Adjustments for:   |      |                                  |                                  |
| - Depreciation and amortisation                              | 6.2  | 86,426                           | 84,749                           |
| - Amortisation of transaction fees                           | 6.3  | 451                              | 470                              |
| - Provision for loss allowance for trade receivables         | 6.4  | 11                               | 56                               |
| - Provision/(write-back of provision) for stock obsolescence | 6.4  | 92                               | (23)                             |
| - Interest expense   | 6.3  | 10,469                           | 7,123                            |
| - Interest income  | 6.1  | (1,676)                          | (493)                            |
| - Net gain on disposal of property, plant and equipment      | 6.1  | (1,123)                          | (6)                              |
| - Property, plant and equipment written off                  | 6.4  | 48                               | 1,240                            |
| - Share-based payment expenses                               |      | 552                              | 659                              |
|  |      | <b>148,698</b>                   | <b>147,494</b>                   |
| <b>Operating cash flows before working capital changes</b>   |      |                                  |                                  |
| Changes in working capital:                                  |      |                                  |                                  |
| - Receivables  |      | 4,198                            | 10,145                           |
| - Contract assets  |      | (241)                            | 3,729                            |
| - Payables   |      | 5,317                            | 2,382                            |
| - Inventories  |      | 1,629                            | 110                              |
|  |      | <b>159,601</b>                   | <b>163,860</b>                   |
| <b>Cash generated from operations</b>                        |      |                                  |                                  |
| Interest received  |      | 2,215                            | 466                              |
| Interest paid  |      | (9,876)                          | (6,457)                          |
| Income tax refund/(paid)                                     |      | 1,968                            | (255)                            |
|  |      | <b>153,908</b>                   | <b>157,614</b>                   |
| <b>Net cash generated from operating activities</b>          |      |                                  |                                  |
| <b>Investing activities</b>                                  |      |                                  |                                  |
| Purchase of property, plant and equipment (Note A)           | 19   | (73,650)                         | (35,543)                         |
| Purchase of intangible assets (Note A)                       | 19   | (3,485)                          | (3,101)                          |
| Proceeds from sale of property, plant and equipment          |      | 4,688                            | 6                                |
|  |      | <b>(72,447)</b>                  | <b>(38,638)</b>                  |
| <b>Net cash used in investing activities</b>                 |      |                                  |                                  |
| <b>Financing activities</b>                                  |      |                                  |                                  |
| Payment of loan arrangement fee                              |      | (60)                             | (1,215)                          |
| Repayment of lease liabilities                               |      | (1,626)                          | (1,806)                          |
| Repayment of bank loan                                       |      | -                                | (156,000)                        |
| Distribution paid  |      | (102,101)                        | (100,152)                        |
| Proceeds from bank loan                                      |      | -                                | 180,000                          |
|  |      | <b>(103,787)</b>                 | <b>(79,173)</b>                  |
| <b>Net cash used in financing activities</b>                 |      |                                  |                                  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>  |      |                                  |                                  |
| Cash and cash equivalents at beginning of financial period   |      | 200,704                          | 149,818                          |
|  |      | <b>178,378</b>                   | <b>189,621</b>                   |
| <b>Cash and cash equivalents at end of financial period</b>  |      |                                  |                                  |
| <b>Cash and cash equivalents consist of:</b>                 |      |                                  |                                  |
| Cash and bank balances                                       |      | 178,378                          | 188,957                          |
| Capital expenditure reserve fund <sup>(a)</sup>              |      | -                                | 664                              |
|  |      | <b>178,378</b>                   | <b>189,621</b>                   |
| <b>Cash and cash equivalents at end of financial period</b>  |      |                                  |                                  |

(a) Capital expenditure reserve fund ("Capex Reserve Fund") comprises monies set aside each year for at least 20% of Capex Reserve Fund, which cumulates to \$40.0 million over the five-year period from 1 January 2018 to 31 December 2022, to meet regulatory requirements from IMDA for any new network infrastructure projects that improve the capacity, technology, capability or resilience of NLT's network infrastructure. As at 30 Sep 2023, NLT had completed the implementation of the network infrastructure projects that improve network resiliency and expand capacity, and had fully utilised the capital expenditure reserve of \$40.0 million for this purpose.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | Note | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) |
|---|------|----------------------------------|----------------------------------|
| <b>NOTE A</b>   |      |                                  |                                  |
| Purchase of property, plant, and equipment  | 19   |                                  |                                  |
| Less: Accruals for property, plant and equipment at end of financial period                 | 9    | 67,786                           | 34,909                           |
| Add: Payment of accruals for property, plant and equipment at beginning of financial period |      | (5,940)                          | (13,756)                         |
|   |      | 11,804                           | 14,390                           |
|   |      | <u>73,650</u>                    | <u>35,543</u>                    |
| Purchase of intangible assets   |      | 2,837                            | 2,349                            |
| Less: Accruals for intangibles assets at end of financial period                            |      | (601)                            | -                                |
| Add: Payment of intangible assets at beginning of financial period                          |      | 1,249                            | 752                              |
|   |      | <u>3,485</u>                     | <u>3,101</u>                     |

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### 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 Amending and Restating Deed dated 25 Jul 2018, 28 Sep 2020 19 Jul 2021 and 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 (the “Listing Date”).

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 2023 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. 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 2023.

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. 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 2023

### 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 2023.

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  
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**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 2023 and 31 Mar 2023.

|  | Group   |   | Trust   |   |
|--|---|---|---|---|
|  | As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) | As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) |
| <b>Financial Assets</b>                      |   |   |   |   |
| Financial assets at amortised cost           | 338,226                                       | 362,990                                     | 1,159,241                                     | 1,160,022                                   |
| Derivative instruments:                      |   |   |   |   |
| Designated in hedge accounting relationships | 30,227  | 29,001                                      | -   | -   |
|  | <u>368,453</u>                                | <u>391,991</u>                              | <u>1,159,241</u>                              | <u>1,160,022</u>                            |
| <b>Financial Liabilities</b>                 |   |   |   |   |
| Financial liabilities at amortised cost      | 790,607                                       | 793,117                                     | 170   | 224   |
| Lease liabilities                            | 33,994  | 33,237                                      | -   | -   |
|  | <u>824,601</u>                                | <u>826,354</u>                              | <u>170</u>                                    | <u>224</u>                                  |

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**6. PROFIT BEFORE TAXATION**

**6.1. OTHER INCOME**

|   | <b>H1 FY24</b> | <b>H1 FY23</b> |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Group</b>  | (Unaudited)    | (Unaudited)    |
| Net gain on disposal of property, plant and equipment | 1,123          | 6              |
| Interest income                                       | 1,676          | 493            |
| Grant income <sup>(1)</sup>                           | 861            | 121            |
| Third party compensation <sup>(2)</sup>               | 388            | 697            |
| Others <sup>(3)</sup>                                 | 985            | 864            |
|   | <u>5,033</u>   | <u>2,181</u>   |

(1) Grant income pertains mainly to manhole cover replacement project received from IMDA.

(2) Third party compensation consists mainly of compensation received from third parties for cable cuts incidents.

(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**

|   | <b>H1 FY24</b> | <b>H1 FY23</b> |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Group</b>                                  | (Unaudited)    | (Unaudited)    |
| Depreciation of property, plant and equipment | 82,301         | 80,576         |
| Depreciation of right-of-use assets           | 1,327          | 1,551          |
| Amortisation of intangible assets             | 2,798          | 2,622          |
|   | <u>86,426</u>  | <u>84,749</u>  |

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**6. PROFIT BEFORE TAXATION (CONT'D)**

**6.3. FINANCE COSTS**

|                                      | <b>H1 FY24</b> | <b>H1 FY23</b> |
|--------------------------------------|----------------|----------------|
|                                      | \$'000         | \$'000         |
| <b>Group</b>                         | (Unaudited)    | (Unaudited)    |
| Interest expense on:                 |                |                |
| - Bank loans                         | 9,718          | 6,782          |
| - Lease liabilities                  | 492            | 598            |
| - Others                             | 52             | 56             |
| Financing related costs              | 658            | 548            |
| Realised gain on interest rate swaps | -              | (391)          |
|                                      | <u>10,920</u>  | <u>7,593</u>   |

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

|                                  |               |              |
|----------------------------------|---------------|--------------|
| Finance costs                    | 10,920        | 7,593        |
| Amortisation of transaction fees | (451)         | (470)        |
| Interest expense                 | <u>10,469</u> | <u>7,123</u> |

**6.4. OTHER OPERATING EXPENSES**

Other operating expenses include the following items:

|  | <b>H1 FY24</b> | <b>H1 FY23</b> |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>Group</b>   | (Unaudited)    | (Unaudited)    |
| Property tax   | 8,977          | 8,866          |
| System maintenance costs                                   | 6,048          | 4,595          |
| Property, plant and equipment written off                  | 48             | 1,240          |
| Provision for loss allowance for trade receivables         | 11             | 56             |
| Provision/(write-back of provision) for stock obsolescence | 92             | (23)           |

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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:

|   | <b>H1 FY24</b> | <b>H1 FY23</b> |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Group</b>  | (Unaudited)    | (Unaudited)    |
| Services rendered to a substantial Unitholder   | 82,461         | 80,999         |
| Services rendered to subsidiaries of a substantial shareholder of the substantial Unitholder          | 64,816         | 64,334         |
| Purchase of services from a substantial Unitholder  | 2,990          | 2,981          |
| Purchase of fixed assets from a substantial Unitholder  | 31,492         | 1,809          |
| Management fee paid or payable to Trustee-Manager of the Trust  | 510            | 494            |
| Purchase of services from subsidiaries of a substantial shareholder of the substantial Unitholder     | 1,696          | 1,818          |
| Purchase of fixed assets from subsidiaries of a substantial shareholder of the substantial Unitholder | 83             | 141            |
| Purchases of goods from subsidiaries of the substantial Unitholder                                    | -              | 75             |



**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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:

|  | <b>H1 FY24</b> | <b>H1 FY23</b>  |
|--|----------------|-----------------|
|  | \$'000         | \$'000          |
| <b>Group</b>   | (Unaudited)    | (Unaudited)     |
| <u>Income tax is made up of:</u>   |                |                 |
| - Current income tax expense   | (8,134)        | (12,141)        |
| - (Under)/over provision of current income tax in prior year                   | (159)          | 271             |
|  | <u>(8,293)</u> | <u>(11,870)</u> |
| - Deferred income tax due to origination and reversal of temporary differences | 8,529          | 12,588          |
| - (Under)/over provision of deferred income tax in prior year                  | (799)          | 123             |
|  | <u>(799)</u>   | <u>123</u>      |
| Income tax (expense)/credit recognised in profit or loss                       | <u>(563)</u>   | <u>841</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:

|  | <b>H1 FY24</b> | <b>H1 FY23</b> |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>Group</b>   | (Unaudited)    | (Unaudited)    |
| Profit before income tax   | <u>53,448</u>  | <u>53,719</u>  |
| Income tax expense calculated at a tax rate of 17%   | (9,086)        | (9,132)        |
| Effect of:   |                |                |
| - Income not subject to taxation   | 143            | -              |
| - Expenses not deductible for tax purposes   | (542)          | (325)          |
| - Tax relief and tax rebate  | 52             | 39             |
| - Tax benefit on the tax exempted interest income derived from qualifying project debt securities <sup>(1)</sup> | 9,818          | 9,844          |
| - (Under)/over provision in prior year   | (958)          | 394            |
| - Others   | 10             | 21             |
|  | <u>(958)</u>   | <u>394</u>     |
| Tax (expenses)/credit attributable to current period's profit  | <u>(563)</u>   | <u>841</u>     |

(1) – 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 2023**

**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 2023: 6.2%).

**9. PROPERTY, PLANT AND EQUIPMENT**

During the half year ended 30 Sep 2023, the Group acquired assets at costs amounting to \$67.8 million (30 Sep 2022: \$34.9 million) and disposed assets with carrying value amounting to \$3.5 million (30 Sep 2022: \$1.2 million).

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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:

| <b>Group</b>       |                |                |                |              |
|--------------------|----------------|----------------|----------------|--------------|
| <b>30 Sep 2023</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| (Unaudited)        | \$'000         | \$'000         | \$'000         | \$'000       |

**Financial assets**

|                                  |   |        |   |        |
|----------------------------------|---|--------|---|--------|
| Derivative financial instruments | - | 30,227 | - | 30,227 |
|----------------------------------|---|--------|---|--------|

| <b>Group</b>       |                |                |                |              |
|--------------------|----------------|----------------|----------------|--------------|
| <b>31 Mar 2023</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| (Audited)          | \$'000         | \$'000         | \$'000         | \$'000       |

**Financial assets**

|                                  |   |        |   |        |
|----------------------------------|---|--------|---|--------|
| Derivative financial instruments | - | 29,001 | - | 29,001 |
|----------------------------------|---|--------|---|--------|

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has \$735.0 million (31 Mar 2023: \$735.0 million) bank loans 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 2023: \$510.0 million). Accordingly, 69.4% (31 Mar 2023: 69.4%) of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**11. INTANGIBLE ASSETS**

Intangible assets comprise goodwill, licence and software.

The Trustee-Manager has reviewed for indicators of impairment on goodwill since the end of the financial year ended 31 Mar 2023 and determined that no such indicators were noted as at 30 Sep 2023. The goodwill will be tested for impairment as at 31 Mar 2024.

|                            | <b>30 Sep 2023</b> | <b>31 Mar 2023</b> |
|----------------------------|--------------------|--------------------|
|                            | \$'000             | \$'000             |
| <b>Group</b>               | (Unaudited)        | (Audited)          |
| Goodwill                   | 746,854            | 746,854            |
| License                    | 69,493             | 71,612             |
| Software development costs | 27,914             | 25,757             |
|                            | <u>844,261</u>     | <u>844,223</u>     |

**12. GROUP'S BORROWINGS AND DEBT SECURITY**

|                             | <b>Group</b>  |                              |   |                              |
|-----------------------------|---|------------------------------|---|------------------------------|
|                             | <b>Effective<br/>Average<br/>Interest rate <sup>(1)</sup></b> | <b>As at<br/>30 Sep 2023</b> | <b>Effective<br/>Average<br/>Interest rate <sup>(1)</sup></b> | <b>As at<br/>31 Mar 2023</b> |
|                             | (%)   | \$'000                       | (%)   | \$'000                       |
| <b>Unsecured borrowings</b> |   | (Unaudited)                  |   | (Audited)                    |
| Repayable after one year    |   |                              |   |                              |
| - Bank loans (unsecured)    | 2.64  | <u>732,467</u>               | 2.14  | <u>732,016</u>               |

<sup>(1)</sup> The interest expenses used in the computation of effective average interest rate included realised gain on interest rate swaps. Effective average interest rate of 2.64% is for the 6 months period ended 30 Sep 2023, and the effective average interest rate of 2.14% is for the 12 months period ended 31 Mar 2023.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**12. GROUP'S BORROWINGS AND DEBT SECURITY (CONT'D)**

| Committed revolving credit facility ("RCF") and term loan |                                   | Utilised<br>As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | Utilised<br>As at<br>31 Mar 2023<br>\$'000<br>(Audited) |
|---|-----------------------------------|---|---|
| Commencement Date   | Terms                             |   |   |
| - 21 May 2021   | \$510 million Five-Year Term Loan | 510,000   | 510,000   |
| - 15 Sep 2022   | \$180 million Five-Year Term Loan | 180,000   | 180,000   |
| - 15 Sep 2022   | \$90 million Three-Year RCF       | 45,000  | 45,000  |
| - 31 Mar 2023   | \$120 million Three-Year RCF      | -   | -   |
|   |                                   | 735,000   | 735,000   |
|   | Transaction costs                 | (2,533)   | (2,984)   |
|   |                                   | 732,467   | 732,016   |

**13. UNITS IN ISSUE**

| Group and Trust | As at<br>30 Sep 2023<br>Number of<br>units<br>(Unaudited) | As at<br>31 Mar 2023<br>Number of<br>units<br>(Audited) | As at<br>30 Sep 2023<br>Units in<br>issue<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>Units in<br>issue<br>\$'000<br>(Audited) |
|-----------------|---|---|--|--|
|                 | Balance as at beginning of year and<br>at end of period   | 3,896,971,100   | 3,896,971,100  | 3,117,178  |

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

**14. NET ASSET VALUE**

|  | Group  |  | Trust  |  |
|--|--|--|--|--|
|  | As at<br>30 Sep 2023<br>Units<br>(Unaudited) | As at<br>31 Mar 2023<br>Units<br>(Audited) | As at<br>30 Sep 2023<br>Units<br>(Unaudited) | As at<br>31 Mar 2023<br>Units<br>(Audited) |
| NAV per unit based on issued units<br>at the end of period (cents) | 66.3   | 67.5                                       | 81.4   | 81.4                                       |

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**15. DISTRIBUTIONS**

(a) Current Financial Period Reported on

Amount : \$103,269,734  
Distribution Period : 1 Apr 2023 to 30 Sep 2023  
Distribution Rate : 2.65 Singapore cents per unit  
Tax Rate : Cash distributions to Unitholders are exempt from Singapore income tax.

(b) Date Payable : 1 Dec 2023

(c) Corresponding Period of the Immediately Preceding Financial Year

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.

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 17 Nov 2023 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 17 Nov 2023 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 17 Nov 2023 will be entitled to the distribution to be paid on 1 Dec 2023.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
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**16. SUBSEQUENT EVENTS**

- a) Subsequent to the end of reporting period, the Trustee-Manager approved a distribution of \$103,269,734 or 2.65 Singapore cents per unit in respect of financial period from 1 Apr 2023 to 30 Sep 2023 and it has not been adjusted for the current financial year in accordance with SFRS(I) 1-10 *Events After the Reporting Period*.
- b) Subsequent to the end of reporting period, NetLink Group had experienced a cybersecurity incident. The incident does not affect fibre broadband connectivity. Analysis of the incident is continuing. Based on the information available to date, the incident has not had any material financial impact nor any major disruptions to the Group's business.

**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<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) | As at<br>30 Sep 2023<br>\$'000<br>(Unaudited) | As at<br>31 Mar 2023<br>\$'000<br>(Audited) |
| Property plant and equipment | 110,806                                       | 121,153                                     | -   | -   |
| Intangible assets            | 16,445  | 17,729                                      | -   | -   |

**18. OTHER INFORMATION**

The interim statements of financial position as at 30 Sep 2023 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 2023 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP, 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).

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
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**19. RECLASSIFICATION AND COMPARATIVE FIGURES**

Certain reclassifications have been made to the prior half year's financial statements announcement to enhance comparability with the FY23 financial statements and the current period half year's announcement.

Management fee has been consolidated with other operating expenses.

Software development costs have been reclassified from property, plant and equipment to intangible assets to reflect the nature of the assets. Goodwill and Licence, which are shown separately on the interim statements of financial position are combined into intangible assets to streamline presentation of assets of similar nature. The impact of the reclassification is not material to the opening statement of financial position of the comparable period.

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

The items were reclassified as follows:

| <b>Interim consolidated statement of profit or loss<br/>and other comprehensive income</b> | <b>Previously reported</b> | <b>After<br/>reclassification</b> |
|--|----------------------------|-----------------------------------|
|  | <b>H1 FY23</b>             | <b>H1 FY23</b>                    |
|  | \$'000                     | \$'000                            |
| Management fee   | 494                        | -                                 |
| Other operating expenses   | 18,888                     | 19,382                            |
| <b>Total</b>   | <b>19,382</b>              | <b>19,382</b>                     |

| <b>Interim statements of financial position</b> | <b>Previously reported</b> | <b>After<br/>reclassification</b> |
|---|----------------------------|-----------------------------------|
|   | <b>31 Mar 2023</b>         | <b>31 Mar 2023</b>                |
|   | \$'000                     | \$'000                            |
| Property, plant and equipment                   | 2,760,040                  | 2,734,283                         |
| Goodwill  | 746,854                    | -                                 |
| Licence   | 71,612                     | -                                 |
| Intangible assets                               | -                          | 844,223                           |



**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
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**19. RECLASSIFICATION AND COMPARATIVE FIGURES (CONT'D)**

| Interim consolidated statement of cashflows   | Previously reported | After reclassification |
|---|---------------------|------------------------|
|   | H1 FY23<br>\$'000   | H1 FY23<br>\$'000      |
| Purchase of property, plant and equipment (Note A)  | 38,644              | 35,543                 |
| Purchase of intangible assets (Note A)  | -                   | 3,101                  |
| <b>Total</b>  | <b>38,644</b>       | <b>38,644</b>          |
| <b>Note A</b>   |                     |                        |
| Purchase of property, plant and equipment   | 38,644              | 34,909                 |
| Less: Accruals for property, plant and equipment at end of financial period                 | -                   | (13,756)               |
| Add: Payment of accruals for property, plant and equipment at beginning of financial period | -                   | 14,390                 |
| Purchase of intangible assets   | -                   | 2,349                  |
| Add: Payment of intangible assets at beginning of financial period                          | -                   | 752                    |
| <b>Total</b>  | <b>38,644</b>       | <b>38,644</b>          |

**20. REVIEW OF PERFORMANCE VARIANCE**

|  | H1 FY24<br>\$'000<br>(Unaudited) | H1 FY23<br>\$'000<br>(Unaudited) | Variance<br>(%) |
|--|----------------------------------|----------------------------------|-----------------|
| RAB revenue:                                   |                                  |                                  |                 |
| Residential connections                        | 123,310                          | 121,687                          | 1.3             |
| Non-residential connections                    | 16,506                           | 15,877                           | 4.0             |
| NBAP and Segment connections                   | 9,521                            | 7,717                            | 23.4            |
| Ducts and manholes service revenue             | 13,556                           | 14,055                           | (3.6)           |
| Co-location revenue                            | 9,852                            | 9,277                            | 6.2             |
| <b>Total RAB Revenue<sup>(1)</sup></b>         | <b>172,745</b>                   | <b>168,613</b>                   | <b>2.5</b>      |
| Non-RAB revenue:                               |                                  |                                  |                 |
| Installation related revenue and Other revenue | 12,864                           | 11,508                           | 11.8            |
| Ancillary project revenue                      | 11,264                           | 11,759                           | (4.2)           |
| Central Office revenue                         | 8,443                            | 7,715                            | 9.4             |
| <b>Total Non-RAB Revenue</b>                   | <b>32,571</b>                    | <b>30,982</b>                    | <b>5.1</b>      |
| <b>Total Revenue</b>                           | <b>205,316</b>                   | <b>199,595</b>                   | <b>2.9</b>      |

(1) These services are subject to IMDA's price review framework.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### 20. REVIEW OF PERFORMANCE VARIANCE (CONT'D)

#### H1 FY24 vs H1 FY23

Revenue of \$205.3 million for H1 FY24 was \$5.7 million or 2.9% higher as compared to that of H1 FY23 mainly due to higher connections revenue (NBAP and segment, residential and non-residential), installation-related revenue, Co-location revenue and CO revenue. This was partially offset by lower ducts and manholes service, and ancillary project revenue.

NBAP and segment connections revenue increased by \$1.8 million mainly from higher demand for point-to-point connections to support mobile network rollout. Residential connections revenue increased by \$1.6 million, in line with higher number of connections. As at 30 Sep 2023, there were 1,491,663 connections as compared to 1,474,243 connections as at 30 Sep 2022. Non-residential connections revenue increased by \$0.6 million due to higher number of non-residential connections of 52,568 as at 30 Sep 2023 as compared to 51,598 as at 30 Sep 2022.

Installation-related and other revenue increased by \$1.4 million was mainly contributed by more non-residential Termination Points ("TP") installation orders and more outdoor NBAP connections.

Total expenses for H1 FY24 increased by \$8.8 million or 6.0% mainly due to higher operation costs, finance costs as well as depreciation and amortisation costs. Operation and maintenance costs were higher by \$2.1 million due to more maintenance works done and increased contractors' rate. Ancillary project direct costs were \$1.3 million higher despite lower ancillary project revenue as some ancillary projects' were on cost recovery basis from government. Other operating expenses were \$1.0 million higher mainly attributed to higher IT expenses. Staff costs were \$1.0 million lower mainly due to higher labour capitalisation as more fibre projects were completed.

Finance cost rose in H1 FY24 by \$3.3 million, in comparison to H1 FY23. Effective average interest rate was 2.64% in H1 FY24 as compared to 1.92% in H1 FY23.

Higher depreciation and amortisation of \$1.7 million was a result of enlarged network asset.

The income tax expenses were higher by \$1.4 million mainly due to additional provision made for prior years' tax.

The Group achieved profit after tax of \$52.9 million in H1 FY24 as compared to \$54.6 million in H1 FY23.

## **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF CASH FLOWS**

The Group's net cash from operating activities was \$153.9 million in H1 FY24, \$3.7 million lower than H1 FY23 mainly due to higher net interest paid.

Net cash used in investing activities of \$72.4 million in H1 FY24 was \$33.8 million higher than H1 FY23 due to higher capital expenditures incurred for Property, Plant and Equipment.

Net cash used in financing activities of \$103.8 million in H1 FY24 were \$24.6 million higher than H1 FY23 mainly due to net proceeds received from bank loans of \$24.0 million in prior period H1 FY23.

The resultant cash and cash equivalents balance for the Group as at 30 Sep 2023 was \$178.4 million.

## **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF FINANCIAL POSITION**

The Group reported total assets as at 30 Sep 2023 of \$3,967.9 million, \$44.9 million lower than total assets of \$4,012.8 million as at 31 Mar 2023. Cash and bank deposits decreased \$22.3 million due to cash distribution paid and purchase of Property, Plant and Equipment and intangible assets offset by cash flows generated from operations. Property, Plant and Equipment decreased \$18.1 million mainly due to depreciation, partially offset by additions.

The Group reported total liabilities as at 30 Sep 2023 of \$1,384.1 million, \$3.1 million higher than 31 Mar 2023, mainly from higher current tax liabilities, partially offset by lower deferred tax liabilities. Current tax liabilities were higher mainly due to additional provision made for prior years' tax. Deferred tax liabilities were lower due to the reduction of temporary differences from property, plant and equipment.

Total Unitholders' funds stood at \$2,583.8 million as at 30 Sep 2023, lower than \$2,631.8 million as at 31 Mar 2023 mainly due to the distribution paid in Jun 2023 partially offset by higher marked-to-market gains for hedging reserves.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

### 21. OUTLOOK AND PROSPECT

In light of the ongoing economic uncertainty, inflationary environment and elevated interest rates, NetLink will closely monitor the evolving conditions and take necessary mitigation measures.

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

NetLink has been investing in its network assets to cater to the growing end-user demand across residential, non-residential, NBAP and segment connections. These investments, in turn, increase its Regulated Asset Base.

The Singapore Government recently announced an initiative to develop a new digital connectivity blueprint. The plan includes the development of future-ready broadband, mobile and Wi-Fi infrastructure. With this, Singapore's digital infrastructure will be bolstered to meet current and future requirements for speed, capacity and reliability. In this respect, NetLink is well positioned to chart the next phase of growth for the Nationwide Broadband Network (NBN). We will provide our expertise and infrastructure to support the upgrade of the NBN that will deliver internet speeds of up to 10Gbps. We remain committed to collaborating with all key stakeholders to contribute towards Singapore's digital transformation into a world-class Smart Nation.

NetLink will continue to explore opportunities to invest in telecommunication infrastructure businesses overseas to broaden our portfolio.

The ongoing review of the terms and conditions (including prices) of NetLink Trust's services offered under its Interconnection Offer by the IMDA is expected to be completed this calendar year.

Certain statements in this document constitute "forward-looking statements". All statements other than statements of historical facts, including those regarding future financial position and results, business strategy, plans and objectives for future operations (including development plans and distributions) and statements on future growth, are forward-looking statements. As these forward-looking statements concern future events, they necessarily involve risks, uncertainties and assumptions, including assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate, and involve known and unknown risks, uncertainties and other factors – including without limitation developments in the economic environment, changes in market conditions, laws or regulations and the regulatory environment in which the Group operates, regulatory review of the prices for services provided by the Group, changes in interest rates or rates of inflation, other factors beyond the Group's control, and other matters not yet known to the Group. Actual results, performance or achievements of the Group could differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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 FY24<br>\$'000  | H1 FY24<br>\$'000  |
| NetLink NBN Management Pte. Ltd. | Trustee-Manager of NetLink NBN Trust | (Unaudited)  | (Unaudited)  |
| - Management fees <sup>(1)</sup> |                                      | 450  | -  |
| - Reimbursement of expenses      |                                      | 60   | -  |

(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.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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 2023 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

3 November 2023

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**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 2023**

**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 2023, 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 2023, 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

3 November 2023